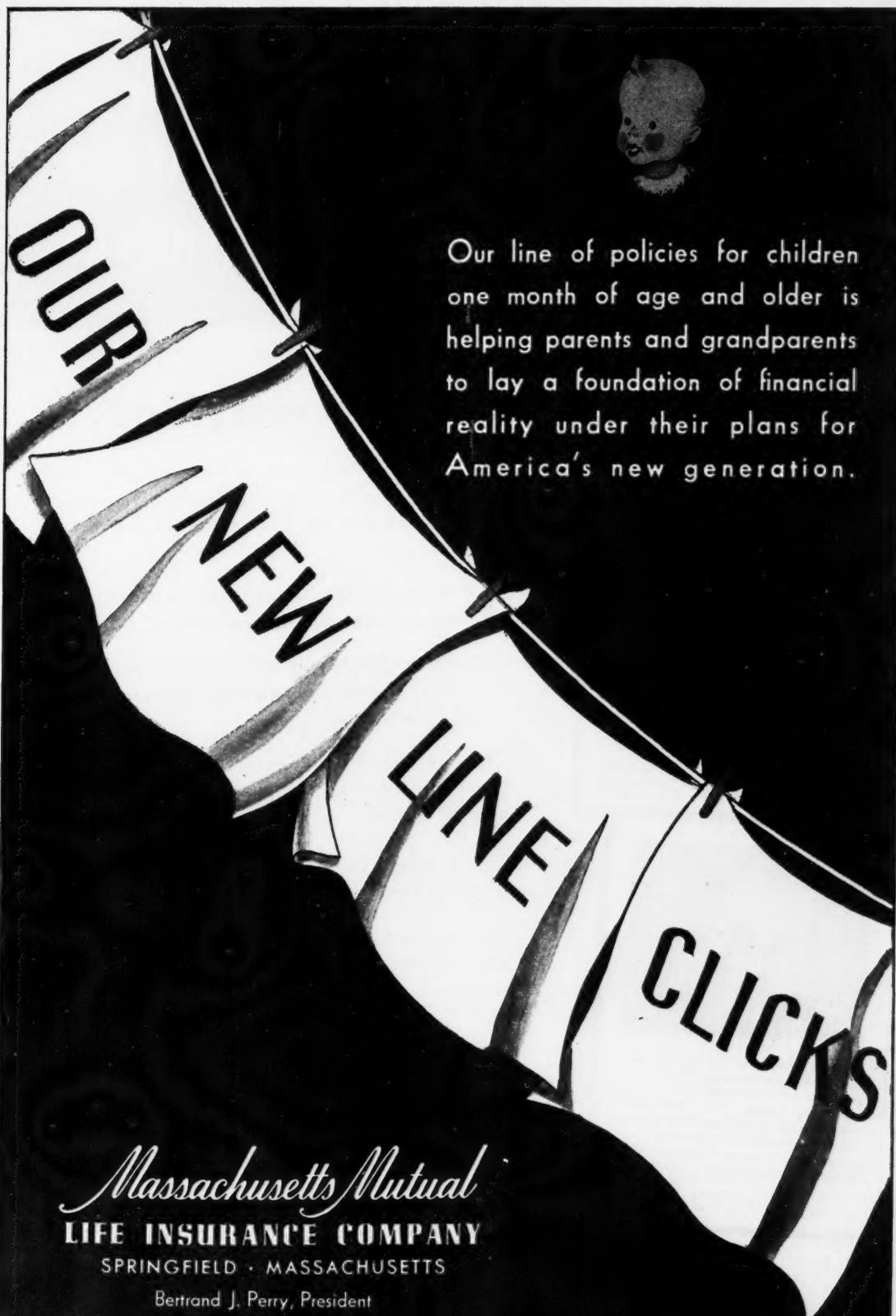


# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*



Our line of policies for children one month of age and older is helping parents and grandparents to lay a foundation of financial reality under their plans for America's new generation.



*Massachusetts Mutual*

LIFE INSURANCE COMPANY  
SPRINGFIELD - MASSACHUSETTS

Bertrand J. Perry, President

FRIDAY, JUNE 16, 1944

## What Impartial Authorities Say About



"Your introduction of the Mutual Lifetime Plan for compensating field underwriters is a most significant accomplishment. You have brought to fruition an incentive arrangement which is certain to yield quality business with your payment of service fees, efficiency income, and retirement allowances to career agents. My congratulations."

H. W. FLITCRAFT  
Flitcraft Incorporated



"To say that I am excited about your new plan of compensation is to put the matter rather mildly. Within the confines of the acquisition cost limitation, you have been able to construct a true life-time earning plan—and have thus translated into concrete possibilities the things we have been talking about so long, namely, the true professional characteristics of the business."

PAUL SPEICHER  
Managing Editor, The Insurance Research & Review Service, Inc.



"Your Lifetime Plan encourages the career salesman; encourages him to sell the right policy properly fitted to his customer's present need—and then not only requires but pays him to give Service to the ultimate benefit of himself and his customers. It seems to me a distinct and direct forward step."

A. R. JAQUA  
Associate Editor, The Diamond Life Bulletins

## THE NEW MUTUAL LIFETIME PLAN FOR COMPENSATING FIELD UNDERWRITERS

### THE PLAN DOES THIS . . .

- 1 Provides two new sources of income for the efficient, career underwriter—Service Fees, and Efficiency Income for quality and persistency of business.
- 2 Enables the Underwriter to enjoy a steadily increasing income on a level volume of business.
- 3 Pays him substantially more over a period of years than he would obtain under the usual commission contracts.
- 4 Provides him with a generous retirement income which he can accept at any time between ages 60 and 70.

This Lifetime Plan results in no extra cost to policyholders.

The Mutual Life is happy to offer Field Underwriters these combined opportunities for greater income.

## THE MUTUAL LIFE INSURANCE COMPANY of NEW YORK

"First in America"

Lewis W. Douglas, President

34 NASSAU STREET NEW YORK CITY



## Asks Postponement of S. E. U. A. Case Till Congress Acts

Rep. Satterfield Makes  
Request of Biddle;  
U. S. Chamber Comments

WASHINGTON—Action in the House on the insurance states rights bill this week was not expected by insurance observers here. Rep. McCormack, Massachusetts, majority House leader, indicated no plan in that respect. The House leadership is rushing work on the price control, appropriation and other bills.

Meanwhile, CIO has submitted a formal written request for hearing on the insurance bill to the Senate judiciary committee. That body, however, was not expected to do anything about the matter until after the return of Chairman McCarran, perhaps in a week or 10 days.

The Department of Justice has been asked by Rep. Satterfield, Virginia Democrat and member of the House judiciary committee, to hold up prosecution of the Southeastern Underwriters Association case, to let Congress have a chance to act on the states rights bill. Satterfield has written Attorney General Biddle to this effect. Pointing out that the bill was recommended by his committee and was granted last January a rule for its consideration, Satterfield said before it could be brought up in the House the Supreme Court had heard arguments in the S.E.U.A. case. He added that "sponsors of the Walter bill very properly refrained from asking that the bill be called up pending the deliberations of the court."

### Should Let Country "Speak"

"Now that the decision of the Supreme Court, shocking in its implications and upsetting legal precedents of 75 years, has been handed down," Satterfield continued, "it seems to me that fairness and legal perception must lead you to the conclusion that the pending prosecution against the insurance companies of Atlanta should be held in abeyance until the people of this country, speaking through their representatives in the Congress, decide this issue one way or the other, but certainly beyond the pale of interpretive decision."

At the Department of Justice a spokesman said Attorney General Biddle was out of town. The spokesman, however, expressed doubt the S.E.U.A. case would be held up. At the same time it was pointed out that in normal course of events the case could not possibly come up in the Atlanta court before next fall.

The Walter bill exempting insurance from the Sherman anti-trust act is tentatively scheduled to be debated on the floor of the House Thursday. However, it is believed because of the several important measures which are ahead of it, that it will more than likely not be reached until the early part of next week.

Whether it was so intended or not, the conciliatory attitude which the Justice Department has displayed toward the insurance business since winning the Supreme Court decision in the S.E.U.A. case will have the practical effect of supplying ammunition to the opponents of the Walter and Bailey bills. It will

(CONTINUED ON PAGE 22)

## See Congress as Invited to Preserve States Position

NEW YORK—The dissenting opinions of Chief Justice Stone and Justices Frankfurter and Jackson and parts of the prevailing opinion written by Justice Black in the S.E.U.A. case promise to be important and perhaps decisive factors in bringing about the enactment of federal legislation which will reduce to a minimum the uncertainty that is bound to plague the insurance business and state supervisory officials now insurance has been declared to be commerce.

With the three dissenting justices pointing to the disturbing effect of changing so suddenly the long established non-commerce status of insurance and Justice Black in the prevailing opinion in effect inviting Congress to take action that will leave the states in control of important phases which they have long supervised, the position of those who seek immediate congressional action becomes infinitely stronger than if they were proceeding on their own.

### Forestalls Critics

With such impressive backing for their demands, insurance people can hardly be accused of merely seeking special interest legislation. Anyone in Congress or elsewhere who might try to balk the necessary remedial legislation would be going against the considered judgment of all of the seven justices of the Supreme Court who participated in the case.

The danger that Senator O'Mahoney, who has led the administration's attack on the Bailey-Walter bill, will be able to rally much of a following is believed greatly diminished by the Supreme Court opinions. O'Mahoney has taken the stand that the decision eliminates the need for the Bailey-Walter type of legislation and that those concerned should come forward with a comprehensive system of federal regulation for insurance. To those who know something about the insurance business this is not nearly so easy as O'Mahoney thinks.

### Must Come from Congress

The portions of the prevailing opinion on which insurance men are counting to gain congressional support include the passage near the end stating that "whether competition is a good thing for the insurance business is not for us to consider. Having the power to enact the Sherman act, Congress did so; if exceptions are to be written into the act, they must come from the Congress, not this Court."

That the court is sympathetic toward leaving with the states as much of the regulatory and taxing power over insurance as is possible and would reflect that attitude in deciding conflicts on this point that will come before it may be inferred from the majority opinion's statement that "the fact that particular phases of an interstate business or activity have long been regulated or taxed by states has been recognized as a strong reason why, in the continued absence of conflicting congressional action, the state regulatory and tax laws should be declared valid."

### STONE'S OPINION

That Chief Justice Stone believes that the insurance business and the state regulatory officials are in for plenty of trouble and doubt even at best is obvious from his statement that the decision "cannot fail to be the occasion for loosing a flood of litigation and of legislation, state and national, in order to establish a new boundary between state and national power, raising questions which cannot be answered for years to

come, during which a great business and the regulatory officers of every state must be harassed by all the doubts inseparable from a realignment of the distribution of power in our federal system."

Earlier in his opinion Justice Stone said that "certainly there cannot but be serious doubt as to the validity of taxes thought to discriminate against the interstate commerce; . . . or the extent to which conditions may be imposed on the right to do business within a state; or in general the extent to which the state may regulate whatever aspects of the business are now for the first time to be regarded as interstate commerce."

### Frankfurter's Views

Justices Frankfurter and Jackson are emphatic in denouncing the disruptive effects of the majority decision. Frankfurter, in his one-page dissent refers to the "far-reaching dislocations" that will result from the decision and concurs with Stone in the conviction that "by the enactment of the Sherman act in 1890, Congress did not mean to disregard the then accepted conception of the constitutional basis for the regulation of the insurance business." Frankfurter adds that "the evidence is overwhelming that the inapplicability of the Sherman act, in its contemporaneous setting, to insurance transactions such as those charged by this indictment has been confirmed and not modified by congressional attitude and action in the intervening 50 years."

Against O'Mahoney's position that the Bailey-Walter legislation should be dropped and a comprehensive system of federal regulation of insurance enacted stands Justice Jackson's statement that "a poorer time to thrust upon Congress the necessity for framing a plan for national control of insurance would be hard to find." Like the Chief Justice, Jackson is concerned over the decisions' effect on the states' regulatory powers, saying that ". . . the court always has considered that if an activity is held to be interstate in character a state may not exclude, burden, or obstruct it, nor impose a license tax on the privilege of carrying it on within the state. The holding of the court in this case brings insurance within this line of decisions restricting state power."

Further on in his opinion Jackson says, "the court's decision at very least, will require an extensive overhauling of state legislation relating to taxation and supervision. The whole legal basis will have to be reconsidered. What will be irretrievably lost and what may be salvaged no one now can say, and it will take a generation of litigation to determine. Certainly the states lose very important controls and very considerable revenues." In the latter connection he cited a census bureau report on state tax collections showing that gross pre-

(CONTINUED ON PAGE 23)

## Over 700 Take C.L.U. Exams—One in Germany

Nearly 700 took part in the Chartered Life Underwriter examinations held at 97 different educational institutions, and four army camps or naval bases this month. Examinations were held at accessible points in 38 states, the District of Columbia, Hawaii and Germany. The German center was arranged through the cooperation of the International Y.M.C.A. for a candidate interned in a military prison camp.

## Commissioners Expected to Set the Course

Chicago Parley Opens—  
Propose Sampling Industry  
Views on Federal Issue

### By LEVERING CARTWRIGHT

The National Association of Insurance Commissioners went into annual session at the Edgewater Beach Hotel, Chicago, this week with as large a question to handle as has ever confronted the organization.

It is not expected that the state officials this week will be able to find a quick and final answer to the universal insurance question: What will be the effect of the S.E.U.A. Supreme Court decision? But through committee deliberations and dozens of informal pow-wows it is entirely likely that there

N. P. PARKINSON  
will be fixed at least a point of departure from which the insurance business can commence to exercise its influence in charting its relationship to government.

A special subcommittee was appointed recently to deal with the question of federal legislation consisting of Graves of Arkansas, Dineen of New York, and Scheuerle of Missouri and that committee held its first meeting Wednesday morning.

### Much Activity Tuesday

Many conventioners were on hand Tuesday and word spread that there was much support for a project to expand this subcommittee and then to hold hearings or conferences with various elements of the business. Sentiment of the industry would thus be sampled. Each segment would be permitted to say what they feel they need and should have in the way of federal legislation and then there would be drawn either a statement of principles or a specific bill or bills for Congress to consider.

The fire insurance group is on hand and is staunchly advocating support of the Bailey-Walter bill to exempt insurance from the federal anti-trust law. They say that the bill is not ideal, but it does take care of the immediate emergency and if it is later found that other federal laws should be amended, then those situations can be remedied when they arise. Moreover, they say that there is strong Congressional support for this particular item of legislation and that much ground would be lost by starting over again with a new proposal.

The fire insurance delegation includes E. L. Williams, president Insurance Executives Association; J. R. Berry, general counsel, and E. M. Griggs, associate general counsel National Board; C. S. Kremer, president Hartford Fire and new chairman of the National Board laws committee; Col. F. D. Layton, president National Fire; George C. Long, Jr., president of Phoenix of Hartford; R. A. Corroon, president, and J. R. Barry, vice-president Corroon & Reynolds.

One bill, it is understood, has been  
(CONTINUED ON PAGE 14)

# Calm View of U. S. Court Decisions' Effect

Federal Government Given Control Over Investments

By JOHN F. WÖHLGEMUTH

Insurance will not suffer particularly from the holding that it is under the Sherman act. Many states have anti-compact laws more drastic than the Sherman act and both fire and casualty companies operate successfully under the most severe laws. Life insurance is hardly affected.

The holding that insurance is commerce may be serious in the long run. It gives the government the right to regulate and supervise the insurance business, and most seriously of all, it gives the federal government control over investments. Inasmuch as New Dealers have long looked upon insurance as a promising opening for federal control of all business it seems likely that new legislation will be brought forward.

## Congress Is Deciding Factor

Just how radical such legislation may be undoubtedly will depend on the temper of Congress. In this respect life insurance is more exposed than the other branches. Until the war came along and took the brakes off all spending and taxation, the great assets of the life companies seemed to be a temptation to the leaders who wanted more money to spend. Furthermore, life insurance and its allied line, disability, are within the pathway of the New Deal social welfare program. Thus the life business is far more deeply affected by the commerce decision than are the fire and casualty lines.

While existing laws probably offer no serious difficulties to the fire and casualty companies, without further legislation there is apt to be a governmental flourish under the federal trade commission. Even the federal trade commission is not very radical, and while the administration may want to celebrate its victory and mark its power without waiting for new legislation, the truth is that insurance practices that need correction are few in number and scarcely injurious to the public.

## Expect Some Washington Move

Probably the rules of underwriting organizations will be x-rayed and a lot of them may have to be changed, but it is doubtful if there will be much that seriously affects insurance operations. There may be governmental sound effects for publicity purposes, but these are apt to be more sound than effect.

One of the earliest effects will be toward uniformity throughout the country. There are insurance men who will not mourn this. In fact, one of the chief occupations of the insurance commissioners' convention for many years has been working for uniformity.

The effect on state supervision will be gradual. Many states have state commerce commissions, which operate within the state field, alongside the Interstate Commerce Commission of the federal government. There is no legal conflict between state supervision and federal supervision. Thus Canada has provincial insurance departments as well as a Dominion insurance department.

## May Capitalize on Tax Angle

However, a great many states have what naturalists might call rudimentary insurance departments. That is, they have never been developed very far, and in nearly all states the insurance departments are starved for appropriations. The tendency of an extremely large proportion of the states will be to depend on federal supervision and retain the home insurance department as

a source of revenue from premium taxes and fees.

However, it is a pretty safe bet that the New York department will be important for many years to come. Ever since the Armstrong investigation New York has taken the lead in enlightened supervision. The New York department staff includes a large number of civil service men who are thoroughly capable. The insurance interests of New York are so vast that careful supervision will not be abandoned until federal supervision has proved itself. Starting from scratch, the government has a long way to go before it reaches the standard of efficiency long enjoyed by New York and some other state departments.

## No Quick Change Is Anticipated

If other antitrust suits may be looked to in forecasting the future course of the S.E.U.A. litigation, the government will now start a civil suit for injunction against the practices complained of in the S.E.U.A. prosecution. After a year or two of negotiation, the insurance interests and the government will probably work out a consent decree for the insurance companies to comply with. The new action may be broader than the S.E.U.A. suit, that is, it may embrace all companies in the United States. Meanwhile, the government will probably be working on the legislation it desires in view of the upholding of the commerce contention. It is hardly likely that there will be any quick action or any quick changes.

## State Supervision

State supervision does not really rest on the Paul vs. Virginia case. It was well established before 1869, when Paul vs. Virginia was handed down, and had plenty to do looking after home companies. Thus the Ohio insurance report for 1870 (business of 1869) contains the following:

"It is gratifying to state that, although during the year 1869 many and severe losses were sustained and a few insurance companies had been wrecked, yet the result in the aggregate has been more favorable to the interest of insurance than any year since 1864."

## Situation in 1870

The report for 1870 reported on 41 stock fire companies organized under general laws and 17 stock companies with special charters, and 79 from outside.

The report for 1880 (business of 1879) showed the two Ohio classes consolidated, with only 14 left out of 58 reported on 10 years earlier.

It is almost within the present generation that the large number of home state companies so thickly scattered over the various states 50 or 75 years ago has

dwindled.

Nothing in the decision or in the federal laws at this time will have any effect whatever on state supervision "as is." Unless Congress sets up a federal insurance department there will be no effect in the future. But even if the federal government does undertake insurance supervision, there will be a good deal for the state departments to do in handling state regulation.

## Have Parallel Jurisdiction

It is a general rule that the state and federal governments have, not concurrent, but parallel, jurisdiction over commerce, unless Congress feels it necessary to assert a paramount right. Generally speaking, companies from outside the state have to observe the laws that are imposed on home companies. A state cannot favor its home business at the expense of interstate operators. The "equal rights" clause in the constitution does not mean that interstate commerce is entitled to the same rights in each state. It only means that in any state

## Biddle Issues Statement on S.E.U.A. Decision

Statement of Attorney General Biddle on Southeastern Underwriters Association case:

"Since the decision of the Supreme Court on Monday some fears have been expressed that the decision will have the effect of invalidating state regulatory statutes. Similar fears were expressed at the argument of the case, but the majority opinion expressed the belief that these fears are 'exaggerated.' The Department of Justice has no desire or purpose to break down state regulation. Its chief purpose has been to proceed against practices in interstate commerce which are clearly monopolistic or in restraint of such commerce. There need be no conflict between state regulation and the federal prohibition against such monopolistic practices. As the Supreme Court said: 'Few states go so far as to permit private insurance companies, without state supervision, to agree upon and fix uniform insurance rates. Cf. Parker v. Brown, 317 U. S. 341, 350, 352. No states authorize combinations of insurance companies to coerce, intimidate, and boycott competitors and consumers in the manner here alleged, and it cannot be that any companies have acquired a vested right to engage in such destructive business practices.' Indeed the practices which are condemned by the Sherman act have been imposed on the states by interstate private combinations.

## First Anti-Trust Case

"Some insurance groups have assumed because of former decisions of the Supreme Court that they were free to enter into combinations in restraint of trade, or agreements tending to monopolize the insurance business, even though their activities were carried on in interstate commerce, or substantially affected such commerce. But as the Supreme Court pointed out, the present case was the first in which the Court had been called upon to deal with the application of the federal antitrust laws to the insurance business. It should be emphasized that the Supreme Court has never in its history said that the prohibitions of the Sherman act do not apply to the insurance business. Earlier decisions of the Supreme Court relating to insurance involved state regulatory laws; none of them ever involved

(CONTINUED ON LAST PAGE)

the laws must apply equally to the home and to outside companies.

In the first place, there will be no interference whatever with the present state supervision until Congress enacts new laws, and in the second place, it is quite unlikely that federal supervision will come soon.

## Rounds Out 15 Years in App-a-Week Club

A new record for Ohio State Life has been established by Dezsö Garay of the Cleveland agency, who has just completed his 15th year as a member of the App-a-Week Club. He has been a member of the honor club of Ohio State Life for 17 of the 18 years he has been associated with the company. In five of these years he also qualified for the President's Club. In March of this year he was the company's Man of the Month.



Dezsö Garay

## Business Can Make Needed Changes Without Confusion

### O'Connor Reviews Supreme Court Decision Before Union League

James C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins," and associate editor of THE NATIONAL UNDERWRITER, addressed an overflow crowd at a luncheon of the insurance group of the Union League Club in that city Tuesday, discussing the recent United States Supreme Court decisions. Mr. O'Connor has had an unusual opportunity to make observations on this issue. He is a member of the Illinois bar and had both local agency and insurance company experience before undertaking his present work. He reported the hearings before the Supreme Court in the two cases and also went to Washington early last week to collaborate with the publication's Washington correspondent on this matter. He has addressed a number of insurance meetings on the subject. C. M. Cartwright, editor of THE NATIONAL UNDERWRITER and chairman of the insurance group, introduced him.

Pointing out that many important questions remain to be decided, Mr. O'Connor said that in his opinion the majority justices were moved fundamentally by a conviction that no business as large, nation-wide and important as insurance should escape all responsibility to the federal government, and that the overwhelming majority of the public undoubtedly feels the same way. He also emphasized that any readjustments which may occur in the business will be strictly internal and that the relations between an insurance man and the public will be no more affected than were those between a housewife and her butcher when meat packing was held to be interstate commerce.

## Previous Cases

Reviewing the background of state supervision and previous decisions, Mr. O'Connor pointed out that the commerce clause of the federal constitution was actually a minor issue in Paul vs. Virginia and that the statement of Justice Field in that case that insurance is not commerce has been criticized for many years as a dictum which was not essential to the case. This and subsequent cases established the validity of state control of insurance, but they never held specifically that the federal government has no regulatory power over insurance. This point was stressed by Attorney-General Biddle in the arguments in the Southeastern Underwriters Association case and the majority opinion of Justice Black insists that state supervision is not upset.

The difficulty in trying to analyze the effect of these cases, Mr. O'Connor said, is that the justices themselves are vague. The dissenting opinion of Justice Jackson paints a black picture for the future of state supervision and that of Chief Justice Stone, with which Justice Frankfurter concurred, maintains it will at least be seriously curtailed.

## Not Against All U. S. Laws

Throughout all the decisions there is no indication that any justice would oppose the application of every federal law to insurance. Although Chief Justice Stone opened his dissent with the statement that in his opinion insurance is not commerce, he based his dissent

(CONTINUED ON LAST PAGE)

June 16, 1944  
Ple  
Stan  
Pen  
Ma  
of C  
Taf

WAS  
sion tru  
before  
committ  
until so  
planned  
from th  
Depart  
ternal r  
reau on  
amendm  
integrat  
tion tru  
cial sec  
thus clo  
ings. T  
hearing  
conferen  
the wee  
repres  
importa  
urance  
and int  
sion tru  
There  
may ag  
lations,  
lament ag  
curity, a  
Repres  
Life Pre  
herd and  
ciation o  
Dawson,  
York; G  
New Yo  
cut Mutu  
son, Joh  
ent were  
Selby, fo  
and a nu  
aries, att  
Mr. E  
ing in an  
stein ha  
capacity  
were rep  
tunities i  
it is unde  
tion was  
that prob  
made or  
Several w  
Erickson,  
III, Nort  
chairman

Klein and

Willard  
Eugene M  
grandum  
the Radic

From th  
marks du  
Senator T  
ponent  
trust  
fit in w  
recess du

F. O. M  
expressed  
integration  
plans, say  
law or l  
intention  
should b  
curity be  
indulge i  
construction  
and injus

Indicati  
program

# Plead for Definite Standards in Pension Approval

## Many Witnesses Complain of Government Attitude in Taft Amendment Hearing

WASHINGTON—Hearings on pension trust legislative proposals, resumed before Senator Radcliffe's finance subcommittee last Friday, were continued until some time next week, when it was planned to hear from the Treasury Department and internal revenue bureau on the Taft amendment to stop integration of pension trusts with social security, and thus close the hearings. The latest hearing followed conferences during the week between representatives of important life insurance interests and internal revenue officials on pension trust regulations.

There are suggestions the department may agree to revise pension trust regulations, with a view to preventing legislation along the line of the Taft amendment against integration with social security, and possibly other amendments.

Represented at the hearing were the Life Presidents Association, Bruce Shepherd and Ray Peterson; National Association of Life Underwriters, by C. P. Dawson, New England Mutual, New York; G. G. Terriberry, Mutual Benefit, New York; Meyer Goldstein, Connecticut Mutual, New York; Edwin R. Erickson, John Hancock, Buffalo. Also present were Attorneys Lawrence Baker and Selby, for both the above associations, and a number of insurance men, actuaries, attorneys and pension specialists.

Mr. Erickson was a witness, testifying in an individual capacity. Mr. Goldstein had previously testified in like capacity. Although both the associations were reported to have reserved opportunities in connection with the hearings, it is understood that their general position was that they will supply information if requested by the committee, but that probably no statements would be made or briefs filed in their behalf. Several witnesses testified besides Mr. Erickson, including Alfred J. Osthimer, III, Northwestern Mutual, Philadelphia, chairman Million Dollar Round Table.

### Klein and Weiss Memorandum

Willard A. Weiss has joined with Eugene M. Klein, Cleveland, in a memorandum on pension trusts submitted to the Radcliffe committee.

From the trend of questions and remarks during the hearing it appeared Senator Taft perhaps had in mind postponement of legislative action on pension trusts until the fall, which would fit in with plans for a Congressional recess during the summer.

F. O. McKenzie, New York attorney, expressed opposition to "any theory of integration" with respect to excess plans, saying he found nothing in the law or legislative history to indicate intention of Congress that such plans should be integrated with social security benefits. He said he would "rather indulge in over-simplification" than in construction resulting in discrimination and injustice.

Indicating that the internal revenue program of integration leads to discrim-



A. J. Osthimer

(CONTINUED ON PAGE 11)

## Texas Insurers Win War Clause Reserve Victory

The two or three Texas companies that have been selling policies to men in uniform without war clause won a victory in the Texas supreme court which decided that the insurance commissioner was without authority to require the putting up of an extra reserve of \$10 per thousand on such risks. The supreme court held that the commissioner is empowered to exact the putting up of special reserves only in connection with policies covering extra hazardous risks for which extra premium is charged.

The Texas companies do not charge an extra premium for soldiers and apparently the supreme court felt that the risk was not extra hazardous.

Guardian Life of Texas brought the suit for injunction. This was a test case in which the other companies which had been doing a similar business were interested. These companies have been selling only a \$1,000 policy to a man.

The activities of these Texas companies in soliciting business at army camps caused considerable disturbance for a time as they were conducting such solicitation in camps outside of Texas. The War department, however, now requires that an insurer must be licensed in the state in which the camp is located and a number of the insurance commissioners have issued rulings, with the approval of the army, going a step further in requiring that the business be solicited by agents licensed in the state in which the camp is located.

Other Texas companies that have been writing insurance without a war clause on men in uniform are Pioneer, Century, and Government Employees. They have written about 100,000 policies for \$100 million. So far the mortality has not been excessive.

## E. L. Tilley Backed as Candidate for N.A.L.U. Trustee

The Durham (N. C.) Association of Life Underwriters has endorsed Eric L. Tilley, manager of Life & Casualty in Durham, for election as a trustee of the National association. Mr. Tilley, who is now president of the North Carolina association, will retire at the state convention to be held in Durham. His name will be formally presented at that time.

### NAME BENSON COMMITTEE

COLUMBUS, O.—Paul M. Smith, New England Mutual, Columbus, president of the Ohio Association of Life Underwriters, as authorized at the recent meeting here of the Ohio association, has appointed a committee to cooperate with a like committee of the Cincinnati association in promoting the candidacy of Judd C. Benson, Union Central, Cincinnati, for trustee of the National association. Mr. Benson is now serving out the unexpired term of C. D. Connell. The committee is composed of Francis P. White, Aetna Life, East Liverpool; Vernon Kroehle, Northwestern National, Cleveland, and Walter H. Grundy, Connecticut Mutual, Dayton. The general chairman will be Guy Randolph, New England Mutual, Cincinnati.

### Kaufman Indianapolis Life Leader

Nathan Kaufman, Shelbyville, Ind., general agent of Indianapolis Life, is president of the Counselors Club, the leaders' club of the company, by virtue of production paid for the fiscal year of the club. He also is leader for the first four months of 1944, both in amount of new business and in new premiums.

## William Penn, Wampum and Blankets

From a copy of a deed of purchase between William Penn and Indians in the year 1685:

"As far as man can ride in two days with a horse. For and in consideration of these following goods to us in hand paid and secured to be paid by William Penn, proprietor and governor of the Province of Pennsylvania:—20 guns, 20 fathoms match-coat, 20 blankets, 20 kettles, 20 pounds powder, 100 bars lead, 100 knives, 40 pairs stocking, 20 pounds red lead, 100 fathoms wampum, 30 pewter spoons, 200 tobacco pipes, 20 tobacco tongs, 20 steels, 300 flints, 30 pairs scissors, 60 looking glasses, 200 needles, 1 skipper of salt, 30 pounds of sugar, 5 gallons of molasses, 100 jewlsarps, 20 hoes, 30 gimlets, 100 strings of beads."

Today in 1944 you would hardly be in need of "match-coats, guns, lead, wampum, steels, flints."

But the Penn Mutual daily pays out to our insured and their beneficiaries income payments in money to be exchanged for such necessities as "blankets, kettles, knives, spoons, scissors, stockings, needles, salt, sugar, molasses, hoes," etc.

1944—Tercentenary of the Birth of William Penn—1644

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

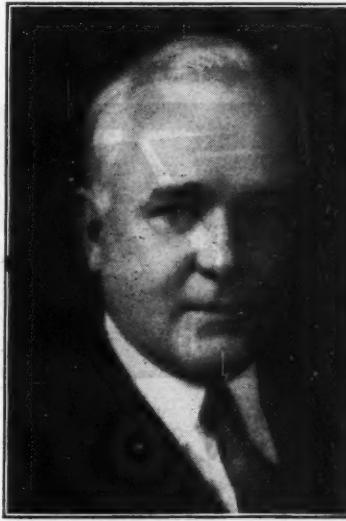
INDEPENDENCE SQUARE, PHILADELPHIA

## Equitable President Suggests Petition for Rehearing

### Urge in Chicago Talk Commissioners as Vehicle for Testing U. S. Ruling

Perhaps the U. S. Supreme Court should be asked for a rehearing on its decision that insurance is commerce, and possibly this would come best from the commissioners' meeting in Chicago this week, T. I. Parkinson, president of Equitable Society, recommended in a talk at the annual meeting of the Chicago Association of Life Underwriters.

He said such a rehearing is not unusual, and the conditions which caused



T. I. PARKINSON

two very able members of the high court to refrain from participating in the decision, pro or con, might be removed before the rehearing.

If, he said, a rehearing is not available then insurance people must consider what is the position of their institution under the decision of the four justices who supported it of the nine on the court. If insurance is commerce, he said, then it must be subject to regulation by act of Congress but this does not mean that insurance may be nationalized or taken over, for the government cannot in regulating interstate commerce of any kind do anything unreasonable, but must operate by due process of law. There would be no taking over of insurance in any event until Congress authorized it and there does not seem to be any great enthusiasm along this line in Congress.

### Urge Maintaining Status Quo

Mr. Parkinson said he believed it would be a great precedent for Congress to vote that all state laws and regulations affecting insurance should stand as they are.

He predicted Congress would remove insurance from interstate commerce status through the Bailey bill which is well advanced toward passage in the senate. The bill provides that nothing in the Sherman act or any act of Congress regulating interstate commerce or monopoly of trade should be held applicable to insurance. "In other words," Mr. Parkinson said, "if Congress passes the Bailey bill, Congress expressly declares that in laws regulating interstate commerce Congress did not mean when

it used the term 'interstate commerce' that it would mean the insurance business."

He expressed hope that insurance people and federal officials would get together with the commissioners to work out some boundaries for U. S. federal and state control over insurance. "I hope that if we cannot get a rehearing and at least a more institutional decision," he said, "at least there should be regulation of the insurance business by Congress to preserve the state laws and regulations as they are."

He stressed that a great many years would be required before insurance commissioners would know what their powers are precisely over insurance in view of the decision, and he said 50 years would be a short estimate of the time that would be required to determine these.

Behind it all, he said, is the question whether the American people are going to permit a change of the form of their government without changing the constitution and without putting the proposal to make a change directly up to the people. He said if the country is going to continue in the direction exhibited by this decision of the Supreme Court nothing but subjugation of the states and the people to the will of the federal government could result. Until that question has been decided the country cannot well decide what is to be its position in the world hereafter. He said he was a democrat with a "little d"

but he objected to change of the form of government by the indirect method without reference to the people.

#### Supports State Supervision

Mr. Parkinson said no other business can claim to have done so good a job as life insurance through the depression period and it has entered the period of war better prepared to do its part, having enjoyed and still having great confidence of the public. To a substantial extent, he said, this confidence is due to the excellent state supervision and regulation with intelligence, information, reasonableness and yet firmness.

He said those who believe state, as represented by the federal government, could do a better job of regulation because of its immortality and omniscience should determine first whether the state is immortal. He said there is hardly a state on the globe that has maintained its form so long as has the United States, and on the other count, if the state in this country is omniscient it seldom discloses the fact through those who speak for it.

He stressed that the federal government is one of limited powers whereas the local government has unlimited powers except as specifically excepted by the people or delegated by the federal government. The local government has all the powers of the people.

That is the American form. Life insurance always has been subject to the states but until the present has not been

under regulation of the United States government.

The Supreme Court decision, Mr. Parkinson believes, endangers the structure of state supervision of insurance that has been built up over many years; this may now be abandoned because of a superior power of Congress that has been declared by four of the nine supreme justices, Black, Murphy, Rutledge and Douglas. "I think it may be fairly said of these gentlemen that hardly one of them could have been in the court at any other time in the country's history," Mr. Parkinson commented.

Life insurance really had little concern with the facts of the Southeastern Underwriters Association case on which the decision turned as there is not much operation like it in the life insurance business. There is not, he said, much room for competition in life insurance except in service in the field and management in the home office. The life insurance premium rates are predicated upon actuarially precise interest and experience tables which do not permit of variation sufficient to offer competitive advantages in rates.

#### May Have Great Import

He asked if the insurance business is a local business subject to control by Congress under the commerce clause only when it affects other business, or whether it is commerce itself. If it is commerce then an important decision has been made, Mr. Parkinson said, affecting not only insurance but all other businesses and the government itself because then it represents an extension of the federal government and infringement on state government.

"The founders of the United States believed that government was best which stayed closest to home," he said. "Local government is bound to remain close to the people. It may not be so efficient but it is the people's government. The far off government, the one at a great distance, has a tendency to become an expert government and to impose its will on the people."

Mr. Parkinson said this is the first time that the Supreme Court has set aside a long established precedent of that court by less than a majority and it is the first time it ever has decided a constitutional question by less than a majority of that court.

#### U. S. Court Final Arbiter

He noted the present method under which a state taxes and imposes fees upon insurance companies operating within its borders and discriminates as between domestic and other companies. He said that if the Supreme Court decision stands and insurance is deemed interstate commerce, an insurance company which should apply to enter a state, if it were told by the state's authorities that it could not enter might say, "Get out of my way. I am interstate commerce." That is the general rule, Mr. Parkinson said. The state regulates interstate commerce, but must not discriminate. He asked who is to decide what is discrimination, and answered that in the last analysis this must be the Supreme Court.

He pointed out it has taken other business 40 to 60 years to determine what is the burden on interstate commerce and what is fair and reasonable local regulation. The same experience may be expected to follow this latest ruling if it is permitted to stand.

Mr. Parkinson is a noted lawyer and has a background of teaching the law as professor of legislation in Columbia University law school, then dean of law there 1923-24. He was advisory counsel to the director of the U. S. war risk bureau in 1919 and legislative counsel to the U. S. Senate 1919-20. He is an authority on constitutional law.

## Commissioners Should Draft Law, Harrington Says

It is the duty of the National Association of Insurance Commissioners to ask Congress, during the present session, to take the necessary steps to permit the insurance business and the insurance commissioners "to continue to serve our country and the public in an orderly way, particularly during the great war crises," said Commissioner Harrington of Massachusetts in his presidential address before the National Association of Insurance Commissioners in Chicago.

Saying that both the majority and minority opinions in the Southeastern Underwriters Association decision have indicated that Congress can eliminate the possibility of the dislocation of the insurance business which flows from this decision, Mr. Harrington declared that since the entire business of insurance is affected by the decision the "previously suggested legislation (the Bailey-Walter and Anderson bills) designed to solve the problem is not sufficiently comprehensive and that consideration should be given to the effect of the decision on fire, life, casualty and all branches of the business.

#### Association Best Qualified

"Our association is best qualified to impartially cooperate in the drafting of such legislation," said Mr. Harrington. "Each commissioner should study the decision. Those of us who have done so should be here authorized to offer to cooperate with congressional leaders, many of whom are ready, willing and anxious to be of assistance.

"Your executive committee has already considered ways and means of meeting the problem so that the ground work has been covered. I am convinced that we should continue our activities at this meeting, laying emphasis on the solution of the problem just discussed but in no way overlooking the problems confronting state supervision of the insurance business. This is the business-like, intelligent and courageous way of meeting the challenge to our efficiency and initiative. Let us proceed on the basis that the Congress will recognize the soundness of the observations made on state supervision by Mr. Justice Jackson. Let each insurance supervisor remember his oath of office and be prepared to perform his duty to the public."

Reviewing the association's activities, Mr. Harrington took issue with the opposition to the recommendations of the multiple line underwriting committee headed by President John Diemand of North America. Quoting a passage from the presidential address by President John M. Thomas of National Union at the National Board's recent annual meeting, Mr. Harrington suggested that opposition to Diemand committee's recommendation "is certainly not in keeping with the ideas expressed" by Mr. Thomas, which included an exhortation to "prepare ourselves to establish, on the basis of anticipating the needs of the householder, the industrialist, the merchant, the banker and the community such a relationship of known benefits to all that the public will actively recognize its partnership with our business as something worthwhile."

#### Wis. Quarter Million Election

William Pryor, Connecticut Mutual, was elected chairman of the Wisconsin Quarter Million Dollar Round Table at the annual meeting in Milwaukee. On the executive committee are W. C. Hewitt, Northwestern Mutual; Ray Collins, Penn Mutual, and A. J. Nussbaum, Massachusetts Mutual, retiring chairman. The round table this year has a membership of 47, of which 27 are in the Milwaukee area.

Paul F. Millett of Spindell-Millet Service, Chicago, spoke on "Current Opportunities in Selling Business Insurance."

## FLASH TO THE MEN IN THE FIELD

### A PLUS SIGN (+) THAT MEANS SOMETHING

Commonwealth's compensation plan for career underwriters is known as the "Plus Contract." It is exclusive with the Commonwealth and under it, Commonwealth men enjoy maximum earnings to be derived from quality production.

The famous "Plus Contract" derives its name from the fact that the underwriter's compensation consists of . . .

#### First Year Commissions

+

#### Renewal Commissions

+

#### Service Fees

+

#### Persistency Bonus Payments

+

#### Pension Benefits

The "Plus Contract" of Commonwealth combines all of the latest and most advanced thinking with regard to agent compensation. It is typical of the agency consciousness of Commonwealth management.

Where Quality Men are building Quality Volume

**COMMONWEALTH**  
*Life* INSURANCE CO.

MORTON BOYD, President

HOME OFFICE \* LOUISVILLE

Sam Shaikevitz, assistant manager of the Delmar district branch of the Metropolitan Life, St. Louis, and Max Schneiderman, leading agent of that branch, recently were inducted into the marine corps.

## Gives N. A. L. U. Views on Social Security

### Rutherford Speaks at N. Y. City Group's Annual Meeting

NEW YORK—Life insurance home offices and agents can render a direct and valuable service to the country by determining the position to be taken by life insurance with respect to social security, James E. Rutherford, executive vice-president of the National Association of Life Underwriters, said at the annual meeting of the New York City association Thursday.

Any position agreed upon should be based upon consideration of the welfare of the average citizen and not merely on the interests of life insurance, Mr. Rutherford declared.

#### Favors Subsistence Level

The National association long has been on record in favor of the principle of old age and survivor type of social security at a subsistence level, and the business has done its utmost to help attain the maximum effectiveness of social security on this basis, he said. Agents have done this by fitting life insurance and social security into workable financial plans for the public. In doing so, they have not only sold personal security but the old age and survivor provisions of the social security act.

He confirmed his statement by taking an audience ballot which indicated that of 22 companies represented at the meeting all had urged agents to use the old age-survivor provisions of social security in their selling approach and 20 of the companies had furnished agents with different types of literature and forms for use with policyholders illustrating social security benefits and relating them to existing or contemplated life insurance coverage.

#### Making Survey

The National association is undertaking through its local associations an unbiased inquiry into the present social security act and the many changes in it which have been proposed, he said. This study is being conducted in an open-minded way and full consideration will be given all facts, he said.

Agents should do everything possible to help provide jobs but at the same time concern themselves with hazards that go along with those jobs or the lack of them, he urged. No social security system, he said, should be extended to the point where it makes idleness or malingering profitable. No changes proposed should become effective until a patient and exhaustive study of them has been undertaken and full consideration given to their effect upon the social and economic structure, Mr. Rutherford declared.

#### New Officers Elected

G. P. Shoemaker, general agent Provident Mutual, was elected president. Other officers elected were D. B. Fluegelman, Northwestern Mutual, administrative vice-president; P. A. Collins, manager Metropolitan Life, public relations vice-president; J. Fred Speer, assistant manager Benton agency, Equitable Society, educational vice-president; Ben Hyde, general agent Penn Mutual, treasurer.

New directors are P. T. Callahan, Metropolitan; G. A. Goodridge, State Mutual; Solomon Huber, general agent Home Life; J. J. Jerome Sr., Guardian Life; R. E. Myer, manager Mutual Life; Joseph Pellicane, Massachusetts Mutual; C. Lamont Post, independent; J. S. Ray, Metropolitan; Edward Rosenbaum, John Hancock; Louis Sechtmann, associate general agent, Aetna Life; J. E. Spence, Penn Mutual, and S. L. Wolkenberg, Union Central.

## Insurance Company Stocks Feel Little Effect from Supreme Court Decisions

The Supreme Court decisions had little effect on insurance stocks of all classes. Fire insurance issues responded the first day or two by dropping a few points. However, percentage wise they were off very little, and by this week they had recovered practically all of the loss. There was a lull in trading in life stocks, but no volume of selling. Casualty companies felt little or no effect. Stocks had for some time previous to

the Supreme Court decision reflected to some extent the feeling of uncertainty in the business generated by the pending litigation. It is suggested by some of the investment houses that even though the decision was adverse from the viewpoint of insurance people, now that it is settled stocks are likely to show more vigor and go higher than they were before June 5.

It is pointed out by George A. Paddock, vice-president of Rogers & Tracy, Chicago investment securities firm, that no federal regulation of rates and procedure is authorized by existing laws or proposed by the present administration; that Congress will exempt insurance

company acts approved by state authority from the anti-trust laws, and that even without such legislation the large financially strong companies can operate successfully without violating the Sherman and Clayton acts. Mr. Paddock, formerly Illinois Congressman from the 10th Congressional district, has gotten out a bulletin showing the mild effect of the decision on specific stocks and outlining his views.

About 20 members attended the first meeting of the **Life Insurance Women of Topeka, Kan.**, June 15. Miss Hazel Gentry, Metropolitan Life, is president, and Mrs. Ila Wray, Victory Life, vice-president.



#### What does that mean?

Here's what it means. Of the leading 125 Franklin representatives as of March 31, one out of three is a newcomer to the organization during the past fifteen months.

It's really gratifying to be that kind of a statistic, as forty-two highly successful Franklin representatives will tell you. The majority of them are older men, of mature judgment, who make decisions deliberately, and on the basis of facts.

Their experience has vindicated their judgment, and has proven to them that with the aid of remarkable Franklin sales tools and friendly Home Office cooperation, even a newcomer can share in the high earnings of Franklin Life representatives (\$7,772.90 average for the leading hundred last year).



## The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Quarter Billion of Insurance in Force

**More Reasons Why  
THE GUARDIAN'S  
SPECIAL LOW-COST  
POLICY  
is so popular**

**With Life Insurance Buyers....**

Because at a *minimum outlay* today it gives maximum protection

1. For married men with children.
2. For business insurance uses.
3. For mortgage coverage and other temporary needs.

And because it offers unusual flexibility for adaptation to future needs.

**With Brokers....**

Because of its low premium per \$1,000 with high commission per policy sold

(The average size SPECIAL POLICY sold last year was \$7,663).

Because its appeal to buyers makes for ready saleability.

Complete information about the SPECIAL POLICY may be obtained from any Guardian Agency or by writing to—

**THE GUARDIAN LIFE  
INSURANCE COMPANY OF AMERICA**

HOME OFFICE • NEW YORK CITY  
A MUTUAL COMPANY ESTABLISHED 1860

**GUARDIAN OF AMERICAN FAMILIES FOR EIGHTY-FOUR YEARS**

**Three-Ring Texas  
"War Conference"**

**Industrial, Leading Produc-  
ers and Managers Sessions  
Held Simultaneously**

DALLAS—Three sections operating simultaneously featured the opening session of the war conference of the Texas Association of Life Underwriters.

Bob Lyles, Western Reserve, Austin, was advanced from vice-president to president of Texas association. Vice-presidents elected are: D. E. Durham, National Life & Accident, El Paso; E. Dale Shepherd, Houston, Connecticut Mutual; F. P. Cogburn, Southwestern Life, Henderson; Keith Collier, Jefferson Standard, Corpus Christi, and James D. Edgecomb, John Hancock, Dallas. J. A. Foster, Dallas, National Life & Accident, was elected chairman of the Industrial Managers Section, which was organized at the meeting. R. P. Baxter, Dallas, Rio Grande National, was named secretary. Mr. Foster was chairman of the organization meeting and Mr. Baxter served as chairman of the business session at which a constitution and regulations were adopted.

B. A. Barnes, Fort Worth, National Life & Accident, opened the industrial meeting with a discussion of recruiting city agents. Other speakers in the panel discussion were Curtis Curry, Lubbock, Reliable, who told how he recruits country agents, and C. V. Allen, Houston, Rio Grande National, who talked on recruiting women agents.

"Getting the Most Out of Your Sales Force," was the topic of another panel discussion. C. E. Wood, San Antonio, Great American Life, offered suggestions for "Improving Quality of Business." L. P. Snell, Dallas, American National, discussed the use of contests to increase production and N. V. Langston, Dallas, Home State Life, described the value of weekly educational meetings.

**Stevenson Sums Up Session**

E. B. Stevenson, executive vice-president National Life & Accident, summed up the discussions and praised the industrial men for organizing their own permanent section as part of the state association.

Highlight of the session was Mr. Allen's discussion of recruiting women agents. He has 24 women agents in his district and one woman superintendent. He uses the chain system of recruiting, with two interviews for each prospective agent. With the proper start and training, women agents are very successful, he declared.

John Arden, Waxahachie, Southwestern Life, was elected chairman of the Texas Leaders Round Table. Members of the Round Table participated in a discussion of "Tested Methods of Attack," with the best methods to be presented at the sales congress part of the program Wednesday morning. Edward J. Dore, Berkshire Life, Detroit, N.A.L.U. trustee, was the guest speaker.

**Wallace Heads Managers Section**

Travis T. Wallace, Dallas, president of Great American Reserve, was elected chairman and D. G. Liggett, Houston, Southland Life, vice-chairman of the General Agents & Managers Section. Herbert A. Hedges, N.A.L.U. president, presented recruiting ideas between panel discussions on "Sales Ideas That Produce Business" and "Training and Re-training." Headed by V. J. Adams, Reliance, the Houston panel which presented favorite sales ideas included W. H. Fabian, Connecticut General; Bruce Patterson, John Hancock Mutual; and Mr. Liggett.

The San Antonio panel on training, headed by J. L. Lawrence, Lincoln National, chairman, also included Matthew Brown, General American; O. P. Schna-

**Recalls 1904 Study  
of Commerce Question**

Attorney Charles S. Moore of Washington has this reminiscence of a study 40 years ago of the question whether insurance is commerce:

"When I first came to Washington and took a law position under Garfield and the bureau of corporations of which he was the commissioner, I spent two years studying the insurance laws of various states preparing an epitome of same with a view of federal supervision of insurance if we concluded after our study of the law and ruling of the courts affecting same to go on but after our two years work on this doubtful question at that time (1904) we finally decided that insurance was not commerce within the meaning of the Sherman anti-trust law and the decisions of the courts, we discontinued our work and took up other trust investigations which were carried on after the bureau was merged into the federal trade commission.

"I always felt that there might be a change in the minds of the members of the Supreme Court on that question and, of course, the present membership or the majority of it is definitely in accord with the decision just rendered."

bel, Jefferson Standard, and D. J. Farrell, Pacific Mutual.

The Leaders Round Table voted down a proposal that would have permitted managers and general agents to qualify for membership under certain conditions and also a proposal to increase the amount of business written for qualification from \$200,000 to \$250,000. It endorsed the idea of forming a Leaders Round Table for industrial agents and voted to continue as members men who are called into service, such extension to last for one year after their release from service.

**Membership at New High**

At the state association meeting Tuesday, the largest membership in its history was reported by Herman Heath, Fort Worth, membership committee chairman. The association roster now includes 1,655 paid members and 230 in service, a gain of 573 for the year over June 30, 1943.

Mr. Dore presented some of his favorite sales ideas and Mr. Stevenson talked on "Security in War and in Peace." Cecil Woods, president Volunteer State Life, discussed sales trends brought about by the war.

The state association approved the formation of the Texas Industrial Leaders Round Table as proposed by the newly organized Industrial Managers Section and approved a resolution by the Texas Leaders Round Table to continue as members those who have entered service. Mr. Hedges was the only speaker at the afternoon session.

The Houston association won the trophy for the best association activity during the year and the Dallas association won a cash prize for the best presentation of its activity report.

Pledges of approximately \$14,500,000 in the war bond drive by members of the association were announced at the fellowship luncheon. Speakers were three war heroes who told of their participation in air raids and the landings in the South Pacific.

Members of the Leaders Round Table were honored at a dinner Monday night sponsored by the Dallas Life Managers Club, with the cooperation of the life companies domiciled in Dallas.

**Colbert Heads Albany Managers**

At the annual meeting of the Albany (N. Y.) General Agents & Managers Association, F. J. Colbert, Union Mutual Life, was elected president; E. D. Carlough, Jr., Mutual Benefit, vice-president, and Verne Edgcombe, Monarch Life, secretary-treasurer.

J. C. Behan, vice-president Massachusetts Mutual Life, was the speaker.

June

Me  
curat  
of its  
of thi  
in its  
belief  
serve  
the m  
nume  
after  
perso  
in hi  
of the  
tion.  
Adm  
he sa  
medic  
abilit  
relative  
ing bu  
sible  
comes  
how  
man's  
Has S

Mr.  
of no  
return  
routine  
intervie  
man t  
is alre  
return  
length  
well l  
in the  
will b  
will k  
tell hi  
Thou  
Metrop  
the ho  
turn w  
for the  
their c  
somethi  
are di  
number  
number  
impossi  
any lik  
Cons  
ing on  
represe  
and di  
cers. T  
problem  
is very  
organiz  
few ye  
will be  
Focusin

The  
ager to  
to mee  
addition  
care of  
ticularl  
every d  
form fo  
service.  
man's a  
pany bu  
in his m  
as well  
manager  
their org  
written  
would b  
once. Th  
personne  
Where  
for the i  
former s  
assembli  
give spe  
of tho  
ties will  
organizi  
it is one  
dier to a  
somethin  
assignme  
pany mu

June 16, 1944

## LIFE INSURANCE EDITION

7

## Analyze Experience on Returned Veterans

Metropolitan Life is making an accurate, virtually week-by-week analysis of its experience with returned veterans of this war, nearly 100 of whom are now in its home office clerical force, in the belief that the experience and data will serve as guideposts in the handling of the more complicated and certainly more numerous cases it will be dealing with after demobilization, said H. L. Rhoades, personnel office of Metropolitan Life, in his talk before the spring conference of the Life Office Management Association at Cincinnati.

Admittedly these are not typical cases, he said. Some were over 38, most were medical rejects for relatively minor disabilities and their military service was relatively short. But case files are being built, determining so far as is possible how the individual feels when he comes back, how he feels later on and how his section manager felt on the man's return and how he feels now.

### Has Special Interviewer

Mr. Rhoades stressed the importance of not having the interview with the returning service man conducted in a routine manner even with competent interviewers. Metropolitan has selected a man to handle these interviews and he is already doing so for men who have returned. He is a man of substantial length of service with the company, is well liked, well known, but above all he saw active combat service in France in the last war in the artillery and that will be one of his chief assets, for he will know what a soldier is trying to tell him when the soldier won't talk.

Though there are more than 1,900 Metropolitan people in the service from the home office clerical staff their return will present no staggering problem for the company as a whole but within their company their distribution will be something to be taken care of, for there are divisions and sections where the number in armed forces is 60% of the number on the payroll and it will be impossible for those sections to absorb any like such an increase.

Consequently Metropolitan is embarking on a series of joint conferences by representatives of the personnel staff and division managers and junior officers. These meetings will take up the problems of particular units where the potential number of returning personnel is very high. Each such unit's present organization, its record over the last few years, its growth and the record of the men who are in military service, will be taken up.

### Focusing Attention on Problem

The object is to get the division manager to focus his attention now on how to meet the problem when it comes. In addition to these conferences to take care of situations which would be particularly acute, the company is asking every division manager to complete a form for every man and woman in the service. This is not only a record of the man's accomplishments with the company but provision is also made to take in his military experience, his skills, etc., as well as his weaknesses. The division managers are being asked to look over their organizations and actually make a written record where each absent person would be placed if he came back at once. The manager keeps a copy and the personnel division will also have a copy.

Where it is not possible or desirable for the individual to be returned to his former section these cases will be assembled and the personnel division will give special attention to the assignment of those men to spots where their abilities will best fit in. This means that the organization must be very fluid, because it is one thing to assign a returned soldier to a section or division but it is something else to make certain that the assignment is the correct one. The company must be in a position to make fre-

quent transfers, frequent promotions and frequent changes over a period of not less than five or 10 years as these men develop. Postwar planning will go on at least that long.

Mr. Rhoades emphasized that important as is the attitude of the returning soldier the attitude of the management or of the supervisor to whose section or division he will go is still more im-

portant. Hence Metropolitan is emphasizing that the supervisor must understand the soldier's attitude even though he didn't share in the experiences that have affected the veteran's outlook, and must appreciate that he has undergone something that no one not in the services has undergone. This will require patience, extra training, counselling and help.

H. J. Volk, second vice-president of Prudential, discussed the principles of life company home office organization. He said that the best solution to the problem of most effective organization for any given company will be found only after thoughtful consideration of the factors of organization and the most

effective means of applying the principles of sound organization management and that this study requires a detailed analysis of the objectives and functions of the organization as a whole and of its parts.

Mr. Volk said that he believed it possible to effect greater economy by centralizing the great mass of clerical operations in the hands of an expert in the art of personnel and the science of management, who should have executive rank.

**Harry W. Stanley**, Wichita general agent Equitable of Iowa, wrote over \$1,000,000 in new business last year.

# Report to NWNL Policyholders and Friends

... Under this title, Northwestern National Life presents a brief and concise record of operations covering the past year. This Report, now being distributed, is lively reading for even the casual observer of life insurance. It is, in effect, a policyholder meeting in print—modeled after the policyholder meetings which NWNL experimented with so successfully before Pearl Harbor. Here are a few selected facts from the Report, told in the first person by President O. J. Arnold:



"One might logically expect, with nearly ten per cent more insurance to service, and with costs of operation and taxes on the upgrade in wartime, that overall expenses of management would be increased somewhat compared to the preceding year. However, exactly the opposite was true: Against this tide of rising prices, and with more policyholders than ever to serve, NWNL in 1943 actually spent fewer dollars than in 1942 for management expenses."



"By far the greater part of the 103 million dollars which you and more than 200,000 other NWNL policyholders have set aside for your future security is at work in channels which contribute directly or indirectly to the successful fighting of the war. NWNL's purchases of U. S. Government securities in 1943 amounted to nearly 50 per cent more than its total premium income for the year, and almost as much as its total income . . . yet the Company has extensive and diverse investments in many other channels aiding the war."



"It is an axiom in our business that 'Life insurance is seldom bought—it must be sold', and the life insurance agent today receives much more praise than blame for his persistence in urging people to provide for their own future in this systematic, certain way. Thousands of agents are now serving in the armed forces of the country. NWNL alone has 'loaned' more than 20 per cent of its field force to the armed forces. Yet those NWNL men who remain have stepped up the efficiency of their work to provide you better service than ever before."



"NWNL was one of the largest purchasers of War Bonds of any corporation in the Northwest area in both the Third and Fourth War Loans. Its Home Office employees, long participating 100 per cent in regular purchase of War Bonds via the payroll savings plan, during 1943 increased their purchases to an average of more than 12 per cent of payroll. And so extensive is participation by NWNL personnel, both home office and field, in Red Cross work and other war activities, that the sum total of their efforts will probably never be known . . ."

A copy of *Report to NWNL Policyholders and Friends* will gladly be sent on request. Simply drop a postcard to the Home Office.

## Northwestern National Life

INSURANCE COMPANY

O. J. Arnold



OF MINNEAPOLIS

President

## Unsound Pension Funds Cost N. Y. Firemen \$4 Million

NEW YORK—Approximately 5,000 New York firemen stand to lose \$4,000,000 in the liquidation of half a dozen firemen's endowment associations organized a number of years ago so they would not have to pay prohibitive premiums in rated up classifications. The associations, which were not organized on an actuarially sound basis, have not been under the supervision of the state insurance department, and their financial condition has been aggravated by the large number of older men who have retired recently and the large number of men who entered the armed forces.

Patrick Walsh, fire commissioner, said he had paid \$1,100 to one association and expects only a few dollars back. Individual losses were estimated to run as high as \$4,000. Firemen, first class, receive \$3,000 annually.

Capt. W. J. Dugan, president of the officers' association and chairman of a subcommittee to investigate the associations before they were thrown into liquidation, blamed the situation primarily on war conditions. He reported

no evidence of mismanagement, but some of the men were inexperienced in running the organizations, having been chosen for their popularity rather than their familiarity with business.

Commissioner Walsh said some firemen belonged to several associations and paid in as much as \$28 a month, expecting to receive a retirement fund of \$700 to \$800. As a result of the liquidation, the legislature is expected to be requested to place such organizations under jurisdiction of the insurance department. The liquidation bureau's investigation will probably not begin until later to permit claims to be filed in a four month period following a court order placing them in the hands of the department. The associations involved are Firemen's Cooperative Endowment Association, Firemen's Mutual Benevolent Association, Allied Endowment Association, Firemen's Endowment Association, and Fire Department Endowment Association. A sixth association may also be involved.

### Invite National to Buffalo

Delegates of the Buffalo Accident & Health Underwriters Association to the annual meeting of the National association in St. Louis will invite the national body to hold its 1945 convention in Buffalo.

## Group in Force Ranking at End of 1943 Given

1	Metropolitan	6,210,968,732
2	Aetna	3,808,246,927
3	Equitable Society	3,396,565,953
4	Travelers	3,313,514,447
5	Prudential	2,153,231,607
6	John Hancock	1,114,758,137
7	Conn. General	727,839,903
8	Sun Life, Can.	595,980,580
9	General Amer.	425,496,409
10	Occidental, Cal.	376,192,971
11	Continental Assur.	226,033,367
12	Shenandoah	191,518,760
13	Provident L. & A.	129,950,929
14	Canada Life	122,439,865
15	Northwestern Natl.	114,439,068
16	Protective, Ala.	98,854,333
17	Cuna Mutual Society	73,766,108
18	Great-West	73,524,653
19	Union Labor	71,496,371
20	Minn. Mutual	50,574,439
21	Confederation	48,552,143
22	Southwestern	39,185,327
23	Lincoln National	33,857,085
24	American Standard	33,823,800
25	Morris Plan	31,694,528
26	Mutual Life, Can.	31,685,166
27	Bankers, Ia.	27,097,787
28	Calif.-Western	22,498,134
29	Svgs. Bk. of Mass.	20,460,950
30	West Coast	18,279,300
31	U. S. Life	16,514,745
32	Northern, Wash.	14,001,136
33	Washington Natl.	13,930,235
34	National L. & A.	12,863,500
35	Capitol, Colo.	12,191,607
36	Bus. Men's Assur.	11,930,807
37	Great Southern	11,814,100
38	Atlas Life	11,683,046
39	Federal Life	11,654,036
40	Manufacturers	11,286,992
41	Columbian Natl.	10,862,031
42	Eureka, Md.	9,260,577
43	Imperial, Can.	9,211,220
44	Dominion, Can.	8,355,881
45	Western & Southern	8,313,001
46	Reserve Loan	7,925,196
47	Pan-American	7,275,350
48	Kentucky Home	6,872,000
49	Life of Virginia	6,709,019
50	Southland Life	5,842,913
51	Gate City	5,827,490
52	Liberty Life, S. C.	5,466,579
53	Gulf, Florida	5,435,450
54	Amalgam L. & H., Ill.	4,943,500
55	No. Amer., Can.	4,929,997
56	Farm Bureau	3,840,421
57	Alliance, Ill.	3,652,350
58	National Aid	3,422,664
59	Security L. & T.	3,302,800
60	Michigan Life	3,095,602
61	Colonial	2,635,250
62	Northern, Can.	2,559,680
63	Guardian, N. Y.	2,556,844
64	Franklin Life	2,537,600
65	Peoples, Ind.	2,457,196
66	North Amer., Ill.	2,409,850
67	Crown, Canada	2,221,678
68	Great Natl.	2,189,604
69	Kansas City Life	1,953,122
70	Savings Bk., N. Y.	1,791,750
71	National Fidelity	1,680,927
72	Security Mutual, Neb.	1,592,000
73	American Natl.	1,488,500
74	Home, Pa.	1,313,000
75	State Reserve	1,273,250
76	North Carolina Mut.	1,251,907
77	Life & Casualty	1,222,000
78	Puritan Life	1,137,100
79	Mutual Savings	1,121,050
80	Sunset Life	1,095,250
81	Beneficial	1,073,000
82	Pacific Mutual	1,051,256
83	Country Life	1,032,500
84	Acacia Mutual	994,117
85	Western Reserve	917,650
86	Amer. Hospital & Life	801,000
87	Loyal Protective	790,500
88	State Farm	773,394
89	Commonwealth	729,032
90	Geo. Washington	717,100
91	Ohio National	631,500
92	Lafayette	607,500
93	American Life, Ala.	597,250
94	Volunteer State	596,772
95	Ohio State	582,000
96	Pacific National	583,000
97	Pyramid, N. C.	582,513
98	State Mutual, Ga.	573,000
99	North Amer. L. & C.	520,270
100	Eastern Life	516,000

## Insured Are Bound by Reinsurance Agreement, Illinois Court Holds

The Illinois appellate court, first district, reversed a Cook county circuit court verdict and thereby upheld a limitation of liability under a reinsurance agreement by which Jefferson National Life conditionally reinsured policies issued by Lafayette Mutual Benefit Association. The suit was brought by 15 plaintiffs-beneficiaries on policies issued by the Lafayette in Henderson vs. Bankers Life & Casualty. The latter assumed the liabilities of Jefferson National when it became insolvent.

Bankers Life & Casualty did not contest its liability for the Jefferson obligations under the reinsurance contract, but held that this liability was restricted by the terms of the reinsurance agreement, and that such liability was fully discharged by payment to the plaintiffs of amounts which they received and in return for which they surrendered their policies. Plaintiffs claimed that the amount should not have been decreased by the reinsurance agreement.

Bankers Life & Casualty argues that the reinsurance agreement changed the monthly premium rates, but that certificate holders were given the option of increasing payments so as to continue the face or ultimate value of the policy. Assured were notified of this and each continued his former premium payment. However, subsequently, plaintiffs contested the right of Jefferson National to limit its liability in the reinsurance agreement during the lifetime of assured so as to limit the amount due them under the original certificates issued by Lafayette.

The court held that in bringing suit upon the reinsurance contract and thereby accepting it plaintiffs were bound by its terms, and that the ratifying of assured under the provisions of the reinsurance contract was not arbitrary or baseless.

## GROUP REPRESENTATIVES WANTED

Chicago, Detroit, Pittsburgh, St. Louis, Los Angeles, Kansas City, Memphis, Houston, Birmingham, Tulsa, Oklahoma City and Little Rock.

Permanent salaried positions with commissions on personal Ordinary and Commercial Accident and Health production. Progressive advancement.

Individuals under forty years of age preferred.

Training in sale of Group coverages desirable, but not essential.

Inquiries invited from multiple line agents and brokers. Cover by letter your educational and business background, sales experience, age, family and draft status, and salary wanted. If possible, supply Kodak picture.

Write Box W-21  
The National Underwriter  
175 W. Jackson Blvd.  
Chicago 4, Ill.

**GRADUATION DAY**—an even more momentous occasion for Dad seeing Son receive his diploma, because of the forethought in making ample provision under the Berkshire Educational Fund Plan when Bob was just a child.

What safer, sounder or surer way could a father provide to SECURE his Son's future!

College education for a young man and woman is an inheritance, the value of which no one can ever take away from them.

**Do you know that the Berkshire Triangle Pattern contains a safe, economical and convenient plan for providing the future educational advantages for a Son or Daughter?**

ASK ANY **Berkshire** GENERAL AGENT  
LIFE INSURANCE COMPANY  
Incorporated 1851  
PITTSFIELD MASSACHUSETTS  
HARRISON L. AMBER, President

### Walker Elected in Buffalo

Harlan M. Walker, manager Travelers, was elected president of the Buffalo C.L.U. chapter, succeeding W. Merle Smith, manager Mutual Life. Herbert G. Vogt, Mutual Benefit, is vice-president; Clayton T. Knox, Mutual Life, secretary-treasurer.

Dean Claude E. Puffer, University of Buffalo, spoke on "Post-War Planning."

### Hammerlein Agency Moves

The George R. Hammerlein agency of Cincinnati moved June 15 to larger and more modern offices in the 18 East Fourth Street building. In addition to operating a large local agency, Mr. Hammerlein is general agent of Minnesota Mutual Life.

June 16, 1944  
Life  
Of  
No  
DA  
reer,  
ecutive  
Accide  
social  
There  
bet t  
point  
share  
Life  
an ap  
well  
many  
Th  
the i  
Steve  
insura  
mium  
polici  
and a  
accide  
out a  
these  
cludin  
at ho  
Bette  
The  
ter u  
vanta  
arran  
mode  
needs  
quent  
main  
icyho  
prob  
sele  
Ind  
one-th  
national  
In ad  
billio  
distrin  
ordin  
agent  
tal o  
plan  
for go  
be de  
develo  
be wr  
tivatio  
ods.  
The  
scarc  
be me  
lars,  
ance  
so tha  
this c  
its po  
from  
sitio  
see a  
sales.  
vance  
portu  
Alesh  
Osc  
as pre  
Rock  
return  
bough  
address  
Mr. a  
spend  
with t  
go un  
expect  
again

## **Life Insurance Offers a Career, Not Just Job**

DALLAS—Life insurance offers a career, not just a job, E. B. Stevenson, executive vice-president National Life & Accident, declared before the Texas Association of Life Underwriters here. There is a definite trend toward few and better underwriters, Mr. Stevenson pointed out. Last year each agent's share was 161% of the 1934 average. Life insurance offers an opportunity for an agent to build his own clientele as well as develop himself personally for many advancement opportunities free from seniority restrictions.

There is no great difference between the industrial and ordinary agent, Mr. Stevenson said. Industrial is just life insurance in small packages with premiums collected at the home. Industrial policies provide automatic and optional nonforfeiture values, paid up insurance and cash values and as a rule include accidental death double indemnity without any specific extra premium. When these factors are taken into account, including the services rendered by calls at home, there is not much difference in the cost between the two forms of coverage, Mr. Stevenson emphasized.

### **Better Understanding of Industrial**

The public is beginning to have a better understanding of industrial insurance. The industrial agent has the advantage of more flexible methods for arranging the premium payments in modest amounts geared to the prospect's needs and paying ability. Through frequent visits in the home he is able to maintain close association with his policyholders so that he can learn their problems and thus be able to more readily serve them.

Industrial agents are studying the business, many of them being C.L.U.'s. Others are studying their companies' training material. They are learning how to analyze needs and to sell programs. They are being taught to use settlement options to better serve their policyholders.

### **One-Third of N.A.L.U. Membership**

Industrial men make up more than one-third of the membership of the National Association of Life Underwriters. In addition to selling three and one-half billion of weekly premiums last year, industrial agents sold almost half the total ordinary. Year by year the industrial agent is selling a larger part of the total ordinary because he has a definite plan or work, a place to go and a reason for going. He automatically sees people and he is continually in the process of developing prospects, most of whom can be written without much additional cultivation or use of high powered methods.

The postwar period will bring no scarcity of markets, although there will be more competition for consumer dollars, Mr. Stevenson said. Life insurance will require no change-over period so that life agents can get the jump on this competition while the public has its pockets full of some 100 billion saved from war economy. Therefore the transition period from war to peace should see a great stimulation in life insurance sales. In view of the probable continuation of high income taxes, life insurance will be the average man's only opportunity for creating an estate.

### **Aleshire to Live in Chicago**

Oscar E. Aleshire, who has resigned as president of the Modern Woodmen of Rock Island, Ill., and Mrs. Aleshire have returned to Chicago. Mr. Aleshire has bought an apartment and his permanent address will be 6901 Oglesby avenue. Mr. and Mrs. Aleshire, however, will spend the summer at Helena, Mont., with their married daughter but will not go until July 14. Mr. Aleshire does not expect to engage actively in business again although he has of course an in-

terest in the Chicago agency of Parker, Aleshire & Co.

### **Honor 80-Year-Old Penn Mutual Life Veteran**

C. A. Shaw, Abbeville, La., celebrated his 80th birthday in Philadelphia as guest of President John A. Stevenson and Second Vice-president Wallis Boileau, Jr., of Penn Mutual Life. Officers of the company gave a luncheon and a birthday dinner in his honor and presented him with gifts.

Mr. Shaw began his insurance career as a general agent in Costa Rica, Nicara-

agua, and Cuba, went with the Penn Mutual in 1916 and for that company has sold more than \$9,000,000 worth of insurance. Last year he paid for 60 cases. He has sold life insurance to the second, third and fourth generations in families where he placed the original policy. He is resident agent in Abbeville, associated with the Dorion Fleming agency in New Orleans.

### **Tells Navy Board's Work**

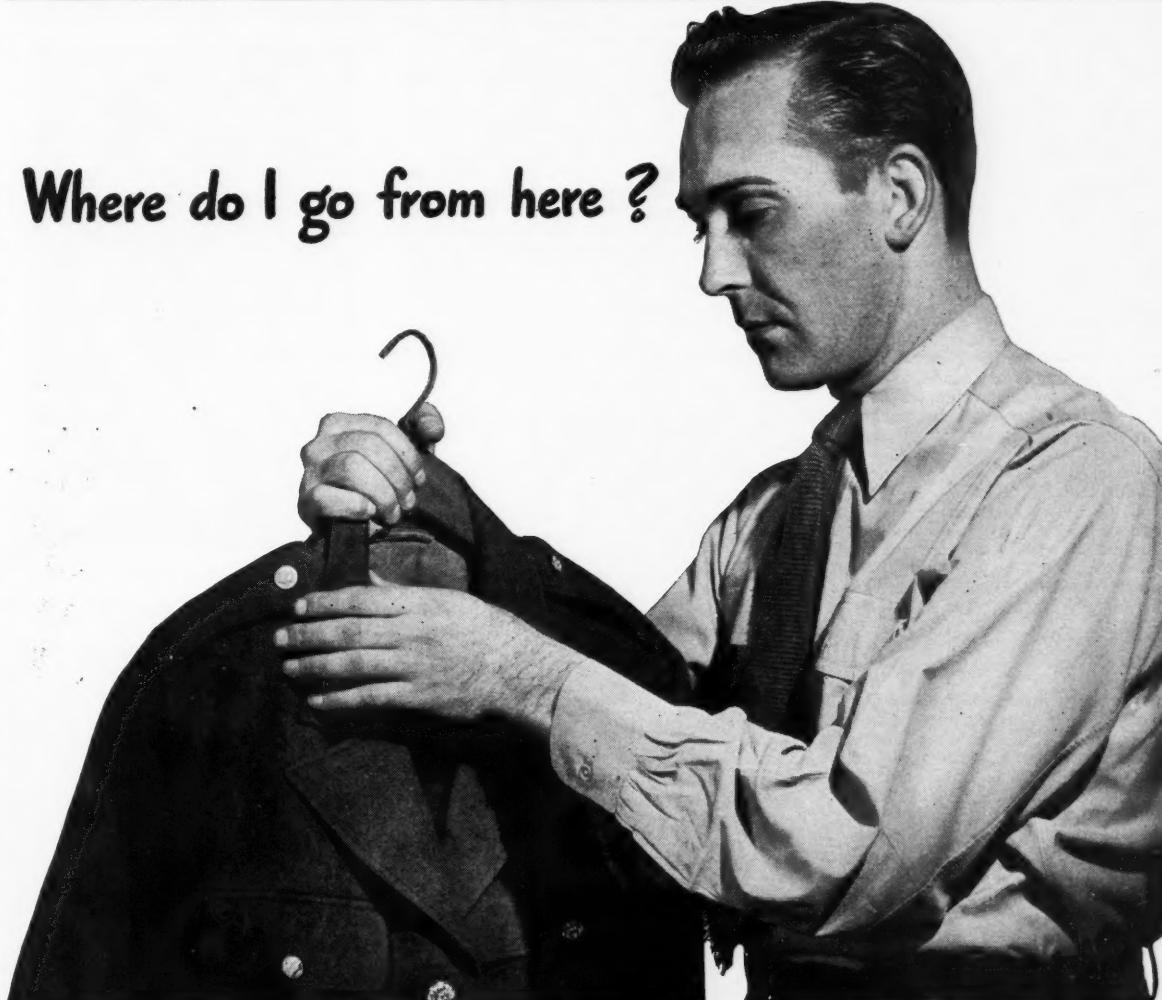
John A. Stevenson, president of Penn Mutual, civilian member of the navy manpower survey board, has explained that board's work in an article, "Our

Navy is Massing Ships and Men Into the Mightiest Striking Power for Knockout," in the issue of "Everybody's Weekly" which appeared on Sunday of invasion week.

### **Phoenix Mutual Chicago Parley**

Phoenix Mutual Life is holding a regional meeting for its general agents and many of its agents throughout the central section of the country at the Edgewater Beach Hotel, Chicago, next week. This is the first agency gathering the Phoenix Mutual has held in some time.

## **Where do I go from here?**



You are one of the million or more men who already have been honorably discharged from the Army of the United States—or from one of the other services—since Pearl Harbor.

Civilian clothes seem strange. You feel a bit out of place and, perhaps, apologetic—particularly if there's no Purple Heart ribbon on that G. I. blouse you're putting away. Never mind. Just remember that you were "in there pitching" while you were on the job for Uncle Sam.

Now there are other war jobs to be done here at home. Please understand that you're needed—and wanted, and you have certain privileges, too.

When you get squared away, here's a bit of advice—hold on to your National Service Life Insurance. We offer this sincerely and unselfishly,

*This advertisement appears in The Saturday Evening Post, Time, Life and Newsweek.*

although we naturally hope that this introduction to insurance will some day bring you to New England Mutual when you need more protection than you are able to get through the Government.

• In the meantime, keep what you have, and send for the folder, "Information for Demobilized Veterans," prepared by our War Service Bureau. It lists your privileges on re-entering civilian life, and contains much data that will be helpful.

• With the folder we shall be glad to send you, without cost, a handsome, serviceable envelope to keep your discharge papers fresh and clean. Just drop a postcard to our Home Office in Boston.

### **To the Mayors of America**

The returning veteran, already re-entering civilian life in large numbers, needs, besides advice,

1. Full information on the Federal, state and community agencies now available to help him.

2. A job, and financial assistance, if necessary.

You are undoubtedly studying how your community can best meet this problem, and you might like information on what others are doing. The city of Newton, Mass., has a practical, working plan which they have permitted us to print and distribute as our own small contribution toward getting these vital projects started. May we send it to you?

**New England Mutual**  
Life Insurance Company of Boston

George Willard Smith, President Agencies in Principal Cities Coast to Coast  
The First Mutual Life Insurance Company Chartered in America—1835

## Eastern Claim Men Elect Dowling

**Complications on Service Men Payments Viewed at N. Y. Parley**

NEW YORK—Factors in determining when double indemnity on policyholders in military or naval service is invalidated was among the subjects discussed by the Eastern Life Claims Conference here. R. T. Heller, Prudential, led the discussion on this point, which also included similar considerations with respect to disability coverage.

J. E. Dowling, Metropolitan Life, was elected chairman, succeeding L. D. Choffin, Equitable Society. V. L. Fox, Colonial Life, was elected vice-chairman and W. T. Hutchison, New York Life, was elected secretary.

J. G. Kelly, Mutual Life, led a discussion on the New York courts' attitude that companies cannot recover for overpayments made to claimants unless fraud is proven on the part of the insured or the beneficiary. This doctrine, enunciated in *New York Life v. Veit*, may prove important, particularly if other states follow New York's lead, where payments are made to beneficiaries of men in the armed forces and the insured later turn out not to have died but to be prisoners or otherwise accounted for. The principle also applies to disability cases where payments are made in error.

L. O. Kinne, Aetna Life, discussed cooperation between companies to avoid duplication of work where more than one company is on a claim. This is important today because of the wartime personnel shortage.

### Expense Sharing Viewed

W. Wallace Rehn, Provident Mutual, led a discussion on the sharing of expenses by companies that are jointly on a risk when a special examination must be made, such as by a specialist in a disability case. He recommended that a committee be appointed to study the question of how far it is worthwhile to go in prorating such expenses in proportion to each company's stake in the claim. While it is in the interest of equity to share such expenses there is a point where the trouble and expense of assessing the smaller shares begins to run into the law of diminishing returns.

Louis Galli, Travelers, led the discussion on the desirability of appending a sentence to claim department letters to the effect that nothing therein prejudices the company's rights in any way. It was brought out that this would be advisable in some types of cases but would probably be poor public relations policy in others.

The discussion on the advisability of omitting notarization and verification of statements made by physicians and claimants was led by J. E. Patterson, New York Life.

E. Laurence Earl, Sun Life, discussed aviation exclusion clauses. It was the Sun Life which had the Bull case, where the question was whether an aviator forced down and killed by the Japanese after landing safely at sea died as a result of aviation activities or not.

## Insurers in Tex. Free from Securities Act Control

Attorney General Sellers of Texas has given an opinion to the securities commissioner of that state that a Texas life company which proposes to increase its capital stock and sell part of the shares to the public, is exempt from the requirement of securing a permit from the securities commissioner. Inasmuch as the insurers are subject to supervision of the board of insurance commissioners they are not required to comply with provisions of the securities act, according to the opinion.

## Ontario Passes Relief Act; Study Service Cover

TORONTO—The Ontario legislature has passed an act setting up a life insurance protection board to which servicemen, their dependents or beneficiaries may apply for assistance to prevent lapsation of life insurance for non-payment of premium. The board is empowered to advance premiums on policies up to \$10,000 on which the assured will pay 3% interest. If the insured does not repay the loan, the amount will be deducted from the proceeds of the policy.

Canada is giving consideration to a national service life insurance plan similar to that in effect in the U. S.

R. Leighton Foster, Canadian Life Officers Association, reports that the Canadian minister of national defense has consulted the association regarding the possibility of the life companies themselves undertaking such a plan. The minister was told that the companies would be glad to cooperate but it was pointed out that in view of the extremely large burden the companies are already carrying in respect of policies issued free of war restrictions before the war, they could only write insurance on soldiers at regular rates if the government were prepared to absorb the extra mortality costs involved. It was also pointed out that rather than inaugurate a separate life insurance scheme, the government might find it easier and more economical to make such changes as are necessary to accomplish the desired purpose in the present pension arrangements.

It is also revealed that the minister has sought company views respecting legislation similar to the soldiers' and sailors' civil relief act in the U. S. It has also been asked whether the companies would be prepared to undertake insurance on returned servicemen along the lines of (and at similar low premium rates) the returned soldiers' insurance act passed after the last war. Such protection would be written without medical examination and with the value of a dependent's pension deducted from the proceeds. The companies have indicated that they could not, in view of the policies already issued to servicemen free of restrictions, safely assume the extra mortality costs involved at the rates proposed. It was pointed out that they could not handle the insurance unless the government assumed the extra cost.

### ODT Asks Cancellation of All Trade Meetings

WASHINGTON — The immediate cancellation of all non-war-connected conventions, trade meetings and conferences as well as all non-essential civilian travel was demanded by Director Johnson of the Office of Defense Transportation.

"With the invasion now actually under way, the demands on the transportation facilities of the country are increasing, not decreasing," Col. Johnson stated. "The pressure of rail shipments of war material has not yet reached its peak. Organized troop movement combined with increased casualty transportation is gaining record-breaking proportions. The hardship involved in the cancellation of business meetings involving travel, cannot be compared with either the outright danger such non-essential travel imposes on the war effort nor with the very real physical hardships now being experienced by our military forces."

### Advertise to Service Men

The advantages of life insurance sales work are being advertised by Massachusetts Mutual in "Time's" overseas edition sent to service men. The copy stresses that an agent's income depends upon "the skill you develop and your investment of intelligent effort." Complete training is offered.

## D'Olier Speaks to Canadian Officers

### Treaty Provisions in Regard to Life Insurance Being Studied

TORONTO—Through its ability to adjust itself to all changes, life insurance has been able to survive wars, crises and even Supreme Court decisions, Franklin D'Olier, president of Prudential, declared at the annual meet-



W. C. LAIRD

ing here of the Canadian Life Officers Association.

Since nothing can be done about low interest returns, Mr. D'Olier suggested "we adjust ourselves to the lower rates."

Reduced interest rates will be most beneficial to the generations that are to come and who will have to pay the cost of the war to a large extent.

Insurance, Mr. D'Olier stated, must conduct its affairs in such a manner so that the men who will return from overseas will realize "that we have done our bit and they can be as proud of us as we are of them."

### Laird Heads Agency Section

W. C. Laird, London Life, was elected chairman of the Life Agency Officers Section. He was president of the Canadian Life Underwriters Association before being called to the home office of his company. Vice-chairman is J. A. McAllister, Sun Life.

R. Leighton Foster, general counsel, reported that a special committee has been giving a good deal of attention to the question of possible legislation or peace treaty provisions relating to policyholders who are in enemy hands. The committee takes the view that legislation and peace treaty terms should not interfere with the terms of the policies themselves which already contain generous automatic premium loan provisions. In the committee's view, if any government feels compensation should be made where a policy lapsed before communications have been restored, such government should arrange to compensate policyholders or their representatives directly. The companies will, of course, continue to be as lenient as possible in each individual case as it arises.

### Old Line Advances Morrow

Everett E. Morrow has been named assistant manager accident and health department of Old Line Life of America. Mr. Morrow, who joined the accident and health department as field superintendent in 1941, will be associated with Herbert R. Adams, manager of that department.

## Life Companies Must Continue to Justify Stewardship

TORONTO—The life insurance business must be prepared to justify its stewardship to a new generation of young men and women who rightly expect more than a mere accounting of funds for which the companies are trustees, H. W. Manning, vice-president and managing director Great-West Life, declared at the annual meeting here of the Canadian Life Officers Association.

All attempts to devise some workable system of selling life insurance over the counter or by mail have met with little success, Mr. Manning said, pointing to the experience of the government life insurance in Great Britain which finally was discontinued in 1928 as less than 12,000 policies were in force after 64 years of operation and sales had dwindled to a few hundred new contracts a year. At the same time there were 72,000 weekly premium contracts in force there. Similar experiences have been encountered in Wisconsin where at the end of 30 years the state fund has a mere fraction of 1% of the total life insurance in force in the state. Over the counter methods under the Massachusetts savings bank plan have resulted in writing only 4% of the total in force in the state after 36 years of operation.

### Agents Are Necessary

Agents are necessary in not only selling thrift but in servicing policyholders. Negotiating intricate matters between their clients and the company and in looking after a vast number of affairs and technical problems require the attention of alert and informed minds, Mr. Manning emphasized.

It is necessary to correct the impression that policyholders do not receive a fair return for premiums paid when policies are lapsed or surrendered. Life insurance has the advantage over other forms of property because its value can be determined at any time and is guaranteed in dollars and cents. About the only way lapses can be eliminated is through legislation making premium payments compulsory which is a price people are unwilling to pay as it would curtail their long-standing right to deal as they will with their own personal property.

Failure to understand the purpose of policy reserves breeds much misunderstanding. The public must be told that these reserves are provisions, not for contingencies which may or may not occur, but for the certainty that moneys will be paid in discharge of policy obligations upon death, maturity, or voluntary termination.

### Sales Course for WAC Recruiters

The Asheville (N. C.) Association of Life Underwriters has launched a series of six lessons on salesmanship for the western North Carolina WAC recruiting office there.

Speakers and their topics are: John M. Ehle, "Prospecting;" F. R. Baker, "Personal Efficiency;" W. Elbert Chambers, "Approach;" K. W. Partin, "Interview and How to Handle;" Robert F. Moody, "Motivation;" Caleb R. Smith, "Close."

### Pay Increase Not to Go to Union

WASHINGTON—The National War Labor Board's general counsel, Jesse Friedin, has decided against a proposal that increased pay awarded to John Hancock Mutual Life agents be turned into the agents' union fund, according to a board spokesman.

It was stated the company submitted an agreement with the union and asked whether it would comply with the board's order. Friedin then gave his interpretation. It was added that the board took no formal vote and issued no formal decision interpreting its order.

## Plead for Definite Pension Approval

(CONTINUED FROM PAGE 3)

inatory benefits for higher salaried employees, the witness described a plan and gave figures showing that persons in the \$20,000 salary group would receive \$6,000 retirement benefit under the present formula and \$6,400 under integration. He suggested elimination of integration by amending the law, saying that further rulings and regulations would be a "stop-gap because they could not cover all inequalities."

### Stockholding Clause

The greatest difficulty in securing approval of plans submitted, said Mr. McKenzie, "comes from the stockholding clause." About 800 plans in the bureau have been completely processed, he said, except for decision on the question how far they can go on stockholder participation.

The witness suggested "one or two yardsticks in the law" would be helpful by relieving the commissioner of exercising discretion on each individual case of stockholder participation, for which the commissioner "would be glad." Thousands of corporations have submitted plans a year or more ago, and still don't know whether they have pension plans or not, he said. This is embarrassing to employers who, having announced pension plans, are unable to pay benefits because they can't get government approval.

Mr. McKenzie suggested Congress define "shareholder" as a person holding more than 10% of outstanding shares; also that a plan should not be deemed discriminatory in favor of certain employees, if otherwise non-discriminatory, if the annual contribution made or benefit provided is less than 35% of the total annual contribution or benefit provided for all employees under the plan. However, he would expect a "scream of protest" against the 35% figure. On the other hand, he declared it would be a mistake to "put that ceiling too low."

### Pension and Dividend

Senator Taft suggested the objection is that it is indirectly paying a dividend in the guise of pension. Mr. McKenzie declared the department would not be interested in small stockholdings.

"It seems that the mere fact of stockholdings should not have any control," said Senator Radcliffe.

McKenzie declared himself opposed to a dollar ceiling on benefits, saying its "disadvantages would outweigh its advantages" and that "if you put a dollar ceiling every plan will be designed around that ceiling." None of the plans in which he is interested, the witness said, has a ceiling as high as \$17,500.

"Wealthier people, or those getting larger salaries," remarked Taft, "are better able to pay taxes and save money than those in the lower income group. There is some point in favor of a ceiling."

Asked by Radcliffe for suggestions to "relieve the jam," Mr. McKenzie replied that the question of stockholder participation "is the greatest stumbling block at the present time" and relief would be furnished if something could be done to attain expedition on that point. Then, experience in the handling of plans, as bureau field men get used to procedure, "would probably facilitate rulings as time goes on," he said.

He expressed the hope that no ceiling would be put into the law on contributions, which "would jeopardize smaller corporations" or penalize employees of smaller corporations.

### Statement by Byler

John G. Byler, vice-president W. T. Grant Co., and chairman tax and fiscal policy committee American Retail Federation, suggested that either through regulation or additional legislation if it is necessary, it be provided that the bureau could refuse as a proper tax deduction, the cost of any individual benefit provided by company contribu-

tions where the benefit to such individual is excessive in relation with the benefits of others similarly situated under the same plan.

Mr. Byler said he knows of no retail company which has received formal approval for a pension plan though a number have been told that the approval would be forthcoming. The bureau, he charged, has made the job larger and more difficult by its insistence on so-called integration with the social security scale of benefits and "by their extremely meticulous hunt through plans for clauses which might in some manner be discriminatory."

### Must Change Existing Plans

"Reasonable retirement plans which have long been in effect have been forced to change in order to secure approval," he remarked. "Obviously such plans were not created for the purpose of evading taxes since they were in effect when tax rates did not exceed 20%. Changes forced by the bureau in such plans are changes in long standing contracts between employer and employee."

The social security plan, he observed, is a voluntary retirement plan in that the benefit is available to the individual at and after age 65 should he decide to quit work. The decision rests upon the employee. The plan is entirely for a social purpose, to provide a minimum income for those who wish to retire in their old age. Private retirement plans, however, are compulsory. They are adopted for the purpose of separating from active employment in a manner fair to the employee, persons who have lost or will shortly lose their effectiveness, in order to provide opportunities for others in the organization. The justification for charging retirement costs as a business expense is the improvement in organization which results. With such a basic difference between the plans, there is no valid reason for requiring benefits of the company plans to be based on the scale which now exists in the social security law.

### S. S. Laws Subject to Change

Social security laws are subject to change from time to time, he pointed out. Private plans, however, should embrace the least possibility of change in benefit or retirement age. Forcing present company plans to integrate with the present scale of social security benefits

establishes a dangerous precedent and would result in many changes in company plans should the social security law be changed.

Some retail company plans which have been submitted to the bureau have had their normal retirement age questioned when it was earlier than 65 on the basis that the plan did not integrate with social security. "We are hopeful that the bureau will recede from this position. We do not believe that any company would adopt a 60 year retirement age with its corresponding higher cost, unless it was convinced that it was necessary for the best interest of the company and the individuals."

It is said the bureau may approve plans with retirement ages earlier than 65 if the actuarial value of the benefits granted is in the same relation to income as the social security benefits. Such a formula, however, results in unreasonably low retirement incomes for those persons who are retired at early ages. The maximum value of benefits under social security is valued at approximately three times annual income, and assuming that such a value could accrue under the private plan by the date of early retirement, employees would be forced to retire at 20% of annual income at age 55 or 25% at age 60. That is lower in relation to previous

## Are You the Man Who—

**—Wants to be a  
General Agent  
and  
—Lives in any of  
these towns?**

Rockford, Illinois  
Sioux City, Iowa  
Springfield, Mass.  
Great Falls, Montana  
Youngstown, Ohio  
Springfield, Illinois  
Wichita Falls, Texas  
Fresno, California



If you live in or near any of the listed towns and are ambitious for a General Agency opportunity there which your present company is unable to give you—write in confidence for the details of the General Agency openings offered.

**THE LINCOLN NATIONAL LIFE**

**INSURANCE**

Fort Wayne



**COMPANY**

Indiana

*Geared To Help Its Fieldmen*

income than the social security law provides.

Many retail retirement plans provide in addition to a service requirement, an age requirement or 30 or 35 before employees become eligible to the plan. This eliminates administrative detail of maintaining records for the bulk of employees who do not stay until retirement age and do not present a retirement problem. The period after such date of eligibility and the normal retirement date is a sufficient period to allocate the company expense in providing the necessary retirement income. Because of the shortened period during which benefits are accruing the annual benefit accrued is frequently at a higher rate than the accumulation under social security.

Many plans, obviously legitimate and non-discriminatory, are tied up in an argument with the bureau as to whether the benefits do or do not integrate. The private plan can differ from social security in age of retirement, rates of employee contributions, periods for which benefits accrue, periods for which benefits are guaranteed after retirement, benefits to dependents, life insurance benefits and the base of income used in applying the benefit formula. There can be no complete assurance of integration unless the social security formula is used throughout.

Much delay and uncertainty is caused by the attitude of the bureau on clauses which it considers as being possible of discriminatory application.

An example is a clause requiring all employees hired in the future to become members of the plan while permitting present employees to elect or not as they choose. This is a usual clause when group life insurance plans are introduced. The bureau objected to such a clause in one retirement plan, claiming that it discriminates in favor of present employees, although over 98% of present eligible employees have voluntarily joined the plan, and the only ones waiving benefits were those who did not expect to remain with the company. The bureau has taken the position that joining a company retirement plan cannot be made a condition of employment in the future, unless present employees who refuse to join upon becoming eligible are fired.

#### Discretionary Power Needed

A certain amount of discretion should be left with the management in order to have the plan work effectively and at lowest cost, but in general the attitude of the bureau seems to be that any provision which involves discretion on the part of the company could in certain instances operate in a discriminatory manner.

If a plan is to be successful in carrying out its purpose of retiring men unable to carry on their work effectively, it is necessary to provide for the possibility of early retirement. On the other hand, if this is given as a right to all employees and is not subject to company approval, some employees might retire and accept employment from a competitor while also receiving retirement benefits from the company plan. A company should be entitled to include in its plan a provision which gives them some discretion over early retirement.

Unless management is left with some discretion the costs may be excessive or the plan may fail of its purpose.

#### Shouldn't Invalidate Whole Plan

During Byler's testimony Taft remarked: "There ought to be some provision that the mere fact that pensions, provided for a particular employee or group were excessive, or violate the law, should not be taken as invalidating the whole plan, but only that particular pension. Would not companies be willing to take a chance if they thought the worst that could happen would be that only one or two pensions would be knocked out? If one man now receives discriminatory benefits the whole plan is now out. Could we not eliminate the necessity of getting approval?"

"That would help," replied Byler, "but every legitimate plan tries not to dis-

criminate in favor of higher salaried people." It would be helpful if plans could be approved with discretionary provisions.

Taft suggested the possibility of "making standards in the act sufficiently definite so that we could get away from the necessity of every plan coming to Washington for approval. A provision that said the whole plan should not be invalid, if later on some part were found illegal might encourage employers to take a chance," he added.

#### Upsetting Old Plans

"Plans in operation for years should not be upset," declared Radcliffe. "This is more important than in the case of new plans. It is desirable there should be some protection of features not controversial."

Discussing the difficulties encountered by small corporations in obtaining department approval of their pension

are being credited with more annual outlay, actually however, such is not the case because such contributions are to be made for a fewer number of years.

The bureau objects to the unfunded cost method on the ground that a plan might be terminated within too short a time, but Mr. Erickson said that is overcome by the provision which requires just cause to be shown before contributions can be discontinued by the employer.

When Mr. Erickson concluded, Taft observed: "Your view is that the Treasury uses the power against discrimination to nullify provisions of the code," to which the witness assented. He was gratified upon his presentation by other life insurance men present.

F. B. Bomar, Washington attorney, said during the past two years he had drafted 25 plans, principally for southern textile mills. Speaking "as a draftsman," he wanted a law "containing sufficient standards for me to tell whether or not a trust will receive approval. It does not at present."

A limitation on what could be deducted would be effective, the witness suggested. He declared that at least two sections of the law are contradictory. Submission of a plan for a textile mill with 1,000 employees, 900 of whom earn less than \$3,000 a year, Mr. Bomar said, leads to an argument over how many supervisors there should be for 900 wage earners, in order to obtain department approval, and "there are no published rulings on what percentages can go one way or the other."

Present rulings are discriminatory against small plants and their employees, Mr. Bomar declared. He raised a laugh when he stated in reply to Radcliffe's question, that he has never received approval for any of his plans, that "all profit-sharing plans are held in statu quo."

He recommended a definition in the law which is "acceptable classification of employees;" also a definition of what is a "reasonable pension ceiling." For the latter he would prefer a "percentage of compensation, rather than a dollar ceiling. The definition could be tied in with length of service or age," but it should have no relationship to social security, he declared.

He did not approve Taft's suggestion that a whole plan should not be invalidated because a single pension under it might be illegal. He indicated that matter might be tangled up with the salary stabilization program.

"The law should provide more definite standards and the discretion of the department greatly reduced," said Taft.

Mr. Ostheimer stated, he favored the Taft amendment, especially if it were extended to provide certain other limitations, "for example if it clarified by law the general broad question of discrimination."

"Secondly, if it provided statutory limits for benefits. It is more important to put a limit on benefits than on contributions, because if you limit contributions, benefits react to that limit."

"Third, if it defined the effect to be given to use of death benefits prior to retirement age under the plan."

"Are death benefits questioned by the department as interfering with their program?" Taft asked.

"Yes," Mr. Ostheimer replied, adding that he submitted plans some time ago and has a number of them pending now. The witness suggested that if only limited questions are settled now, "other questions might be raised, if the Treasury might attempt to enforce the equivalent of integration. If you want to do away with integration and correlation you should take pains to spell out what you mean," he added. "Otherwise the Treasury might think up something else equivalent to integration."

"The desires of Congress as to basic principles should be substantially determined by Congress if it is going to write a law governing the pension business. The biggest handicap is that Congress has not made the law specific enough. Perhaps it would have been impossible to do that in 1942. But it should not be now. Until Congress rewrites sections

of the internal revenue code there will not be much relief because there is so much discretionary power in the department to interpret the sections as written."

Regulations are now subject to change, said Mr. Ostheimer, and employers, employees and their advisers are not in an enviable position. He suggested doubt that the Treasury and internal revenue "see eye to eye" and that a substantial reduction in discretionary powers "might enable them to act speedily on plans rather than on policies."

Mr. Ostheimer made the following points:

"1. When will the employer receive final approval of his plan? Never. Must the employer change his plan every time the regulations or law are changed? My clients are scared that every time somebody has a bright idea, they may be in trouble."

"2. Congress did not require a vested interest to be given protection. Administrative officials in interpreting discrimination, particularly, however, attempt to enforce vested interests. A plan formerly approved would not get by under recent regulations."

"3. Profit sharing trusts—In reference to the fact that base compensation rather than total compensation of employees was the yardstick for allocation of contributions among participants, the department policy now deals with base compensation only, although the law appears to refer to full compensation. I can not find anything in the law to authorize I. T. 3661, a ruling issued last week regarding profit-sharing plans, 20 months after passage of the law and 11 months after issuance of the regulations."

That ruling, recently reported in THE NATIONAL UNDERWRITER, was ordered by senators inserted in the record.

#### Termination of Plan

Fourth, continued Mr. Ostheimer, if an employer terminates a plan he may be required to furnish a lot of information to the department, and go to other trouble. "A provision stating conditions for discontinuance of the plan would be fair," he said.

"5. The regulations do not carry out the intent of Congress, and employers have trouble understanding what the regulations mean."

"6. Applicable sections of the code do not contain the basis for determining tax status of life protection" which may accompany certain annuities under plans funded for individual contracts. Yet the regulations undertake to control this matter. The rules may be changed and made more drastic, "and yet the subject was never considered by Congress," said Mr. Ostheimer. The equivalent of term insurance protection is treated in different manner in different parts of the law and regulations.

Seventh, Mr. Ostheimer expressed doubt that "Congress intended to distinguish between various types of annuities; yet the regulations do so. The bureau may discriminate against refund annuities of various types offering other benefits, in some cases," he declared.

"8. In the case of old plans before the 1942 act, which have to be changed to conform to regulations and rulings, it may be possible to clarify the status of benefits in excess of those now permissible so that some rule could be set forth to govern how excessive benefits would be treated and disposed of and what part could remain in modified plans."

Mr. Ostheimer suggested the deadline Dec. 31, 1944, should be extended, or no further deadline be specified. It might be possible to state that any plan approved would stand from its effective date.

He suggested the committee appoint a small group representing government agencies, employers and the pension industry, to study the problems this summer, with a view to recommending specific revisions of the law next fall.

Radcliffe intends to give a hearing to "protestants" and hopes one day would suffice for the Treasury to present its case. It was indicated this would be late in the week.



GEORGE L. RADCLIFFE

plans, Edwin Erickson said the trouble seems to be due to the limitation placed by the Treasury on the percentage of annual contribution which it allows for any one participant.

The unfunded cost method should be used, he declared, to determine whether contributions under a pension plan result in discrimination between a single older employee or a group of older employees as compared to the entire group.

The Treasury, he said, limits annual contributions for any one individual or group of individuals to a certain small percentage of the total annual contribution. This, he charged, is not an accurate measure of discrimination. It is particularly unfair in its application to plans for small businesses who do not employ large numbers.

The attitude of the Treasury is reflected by rulings on two recent cases, in one case limiting the contribution for two key employees to 25% of the total annual contribution, and in the other case where there was only one principal key employee, then limiting it to 10% of the total.

#### Employee Stockholders

Employees who have been given or have purchased stock under incentive plans should not be classified as stockholder-employees for the purpose of measuring the percentage of a corporation contribution for stockholder-employees.

The unfunded cost method takes the annual contribution for any individual and multiplies it by the number of years during which such contribution is expected to be made till the normal retirement date of that individual participant. That gives the total amount of money which is to be expended for that employee and the use of the total amount is necessary in order to determine whether there is any discrimination in favor of that key employee.

On the surface, while it may appear as though a plan were discriminating in favor of older employees because they

S  
S  
Sa  
cost  
sure  
group  
surge  
Lest  
vania  
socia  
writi  
revi  
have  
Em  
of in  
through  
the  
taxes  
erally  
group  
of th  
sively  
tracts  
the sa  
ernme  
howev  
share  
allowa  
tract,  
gov  
inasm  
such  
mined  
Union  
Be  
have  
benefi  
gone s  
ants o  
thought  
have b  
sultant  
erage  
have s  
ages i  
own  
Rather  
union  
substanc  
even m  
may h  
High  
group  
many  
resul  
other  
Increa  
The  
percen  
groups  
disabili  
proved  
where  
make i  
on the  
chanc  
also ha  
Ther  
in plan  
women  
bands i  
transfe  
males i  
of them  
propriet  
employe  
married  
higher.  
At p  
portion  
over 60  
handica  
would i  
type of  
compan  
of termi  
Work  
contribute

## Stimulated A. & H. Group Sales Create Difficulties

Incentives due to excess profit taxes, cost-plus-fixed-fee contracts and pressure by unions has made the selling of group accident and health, hospital and surgical benefits comparatively easy, Lester Beck, vice-president Pennsylvania Casualty, told the Baltimore Association of Accident & Health Underwriters in presenting a comprehensive review of underwriting difficulties which have arisen.

Employers have found the actual cost of insurance plans considerably reduced through the deduction of their shares of the cost in computing excess profits taxes. Government agencies have generally permitted contractors whose group plans were in effect before signing war contract to extend the benefits of the plans to employees hired exclusively for work under government contracts so that new employees will receive the same treatment as older ones. Government agencies have been cautious, however, in approving the contractor's share of the cost of such plans as an allowable item of cost under the contract, where the plan is adopted after government contracts have been signed, inasmuch as the propriety of allowing such cost has not been clearly determined.

### Union Practices Criticized

Because of wage controls, unions have been active in seeking insurance benefits for their members and have gone so far as to appoint special consultants on group insurance problems, although Mr. Beck said their services have been of doubtful value. The consultants have not only attempted successfully to dictate with whom the coverage should be placed, but at times have split the life and casualty coverages between two companies for their own personal reasons, he charged. Rather than being paid a fee by the union consultants have demanded a substantial share of the commissions, even though another agent or broker may have developed the case.

High claim frequency has resulted on group cases as the draft has taken many of physically fit men which has resulted in the lowering of physical and other standards in employing help.

### Increase in Females

There has also been an increasing percentage of female lives included in groups which produces both a higher disability and higher claim rate. Improved economic conditions in families where both husband and wife work make it less necessary for them to stay on the job regularly. Concern about the children at home and the maintenance of the home after working hours also has an adverse effect.

There has been a high labor turnover in plants located near camps employing women who are following their husbands in training. As the husbands are transferred the women go to other centers. The usual rate loading for females in groups contemplates that most of them will be single whereas the large proportion of the increase in female employees is through the employment of married women whose morbidity rate is higher. These newcomers to industry often are not conditioned to steady work and the long hours required, hence fatigue makes them more quickly susceptible to illnesses or complaints which may not be of occupational origin or compensable under workmen's compensation laws.

At present there is a greater proportion of employees over 38 and even over 60 than ever before, many being handicapped persons who normally would not have been employed in this type of activity. As a result, many companies have reverted to the practice of terminating insurance at age 70.

Working and living conditions have contributed greatly to claim frequency,

Mr. Beck pointed out. Longer working hours and excessive amount of overtime have increased the fatigue factors and lowered the efficiency and responsiveness of employees. Inadequate living and recreational facilities, lack of medical and dental services, and off-balanced diets contribute to the higher loss ratio.

Malingering has been encouraged by employers who keep employees on their payrolls rather than release them when they are not currently needed so that they will be on hand when their services are in demand. Drives against absenteeism where excuses will be allowed only in case of illness have promoted excessive prevarication by employees who for various reasons desire time off from work. Longer hours and overtime served to aggravate this situation.

To improve experience underwriters have been changing the waiting period for benefits to eight days under health and accident coverage and extending the probation period of new employees to three months, sometimes requiring the same waiting period for initially insured employees. Benefits are being adjusted so that amounts do not exceed 50% of the earnings on a 40 hour week basis or 55% of the base pay of the lowest wage in each classification or \$25 regardless of wages for the rank and file of employees. Additional precautions are a waiting period of nine months for maternity benefits, increasing the loading factors on premium rates to take care of variances in the character and makeup of present employee groups from that obtaining in normal times.

### Eye Conversion Hazards

Underwriters are refusing risks where difficulties of conversion to peacetime production are great, where the future of the business is questionable and where such risks have a minimum of 50 lives. Employer aid is asked in selling group plans to employees with both sharing the cost. At least one company requires that, subject to a maximum of 25% of the total premium, the employer pay at least all of the premiums in excess of that produced by male manual rate for accident, sickness and hospitalization, Mr. Beck said. Further employer cooperation is sought by urging the maintenance of an infirmary or first-aid station where treatment may be given for either sickness occurring while at work or for occupational injury.

Underwriters also are making it a practice under accident and health coverage to treat successive periods of disability separated by less than two weeks of active full time work as one period of disability.

Using experience rating helps to promote intelligent and sympathetic cooperation between employers and employees. Prompt filing of claims is encouraged as this system is apt to cost less if properly handled, resulting in better relations with the insured. Efforts are made to clarify the status of insurance for workmen who are laid off or on leaves of absence.

There is a trend towards limiting the weekly benefits to 13 weeks in anticipation of the conversion from war to peace-time activity. Mr. Beck says there will probably be extensive layoffs and the least employable persons will probably not be taken back. This will result in an abnormally large number of claims for maximum benefits. There is also the possibility of the discontinuance of plans which have been installed in view of high excess profits taxes when reconversion takes place. It is probable that plans will be canceled or altered materially to reduce costs, such as having a larger share of the cost passed on to the employees.

It is possible that these unfavorable factors may be offset by an unusually

## Mutual Life Speeds Up Handling of Correspondence

NEW YORK—Mutual Life has adopted a new system for handling correspondence with policyholders which is designed to expedite answers to inquiries. Hereafter, instead of such inquiries being referred to an agency they will be handled by the correspondence section in the home office policyholders' service bureau. Letters will be referred to an agency only where there is something that should be handled in a personal interview with the policyholder.

Letters of inquiry will go direct to the correspondence section, which will, before sending it to the appropriate department for answer, obtain all the information that that department will need, such as policy number, if not included in the letter, and any other data which the department will need in giving its answer. Where a policyholder asks questions that will require answer by more than one department the letter will be held in the correspondence section, which will obtain the necessary information from the different departments and assemble it into a reply. The former practice was to route such letters from one department to another. Under the new system the departments will work on the various points of a letter concurrently rather than consecutively.

### Improve Messenger Service

One of the factors which will aid in speedy handling of correspondence is the recently improved messenger service within the home office. Messengers make the rounds every 20 minutes.

The speeding up of correspondence and its centralization in the home office is in keeping with Mutual's plan of improving service to policyholders. This was also what prompted the company to modernize the phrasing of its letters to policyholders about a year ago so as to eliminate hackneyed phrases and insurance jargon that might be confusing to laymen.

### Denver Association Elects

#### E. L. Metcalfe President

DENVER—Elmer L. Metcalfe, manager National Life of Vermont, was elected president of the Denver Association of Life Underwriters. Clifford M. Beery, Provident Mutual Life; Dwight E. Lambert, Equitable Society, and Taft Barrow, Occidental Life of N. C., are vice-presidents, and Miss M. Helen Hankins, Penn Mutual Life, is secretary-treasurer.

New directors are: Max S. Caldwell, Home Life; Robert Frye, Northwestern Mutual Life; Joseph L. Campbell, New York Life, and George A. Stoecker, Travelers. Jack Robinson, New York Life, was elected state committeeman.

President Metcalfe has been active in civic and business affairs for a number of years.

**Col. Franklin T. Hallam**, formerly associate medical director of State Life of Indiana, has received the Legion of Merit award for "exceptionally meritorious conduct in the performance of outstanding services as surgeon of a corps" in the South Pacific.

quick return to pre-war employment and working conditions and by the continuation of the improved health and safety programs which have been installed during the wartime.

Mr. Beck urged intelligent planning to combat movements for socialization of accident and health and hospitalization insurance. The need of flexibility which can best and perhaps only be afforded through private insurance carriers should be stressed.

## Supreme Court Adjourns; Holds Over Hancock Case

WASHINGTON—The Supreme Court adjourned June 12 until October, having cleared up most of its docket. However, it left over petitions for writ of certiorari for review of the case of Thomas J. Casey, trustee, vs. John Hancock Mutual Life.

Casey, trustee in reorganization of Carlton Hotel, Boston, seeks appeal from the first circuit court of appeals decision vacating the district court's denial of John Hancock's motion that reorganization proceedings be dismissed or that the debtor be adjudged bankrupt. Involved was a mortgage by a debtor to John Hancock payable \$3,100 monthly on Hotel Buckminster, Boston, property that now has been taken over by the government.

John Hancock contended that the reorganization plan proposed was not in fact such and was filed to hinder and delay liquidation. Casey claims the circuit court erred on five counts.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment For You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.



THE OTHER DAY I  
ASKED EARL M. SCHWEMM,  
C.L.U., MANAGER AT CHI-  
CAGO FOR THE GREAT-  
WEST LIFE, THIS QUESTION:

"WHAT is your idea of keep-  
ing in step with the times in  
selling practices?"

MR. SCHWEMM'S answer is  
thought-provoking. "It is un-  
derstanding how and why new  
economic developments establish  
new reasons for buying life in-  
surance."

AS Mr. Schwemm observes,  
things are happening today  
"outside of a man and beyond  
his control" which create new  
life insurance needs.

IN DEVELOPING THIS  
POINT in his selling Mr.  
Schwemm uses R & R's "Father  
and Son," "The Dilemma of  
High Taxes" and "Financial Se-  
curity for Yourself and Your  
Dependents." This material  
demonstrates how new economic  
developments establish new rea-  
sons for buying life insurance.

TO HELP ITS MEMBERS  
move with the times in their  
sales procedures, is one impor-  
tant function of R & R.

**PAUL SPEICHER**  
*Managing Editor*  
**THE INSURANCE**  
**RESEARCH & REVIEW SERVICE**  
**INDIANAPOLIS**

## Commissioners Set the Course

(CONTINUED FROM PAGE 1)

drawn that has the approval of a few commissioners in which Congress would declare its intention to leave insurance regulation with the states, and would say that no existing or future federal law shall apply to insurance unless insurance specifically is mentioned. Most observers, however, express the belief that such a law, as desirable as it might be, would get but little consideration on Capitol Hill.

There is one school of thought that believes insurance should not seek exemption from the anti-trust laws, from the federal trade commission act, from the wage and hour law or the national labor relations act, but that all that is needed to prevent a chaotic condition is an enactment that an insurer that belongs to a rating bureau in compliance with a state law is not in violation of

the anti-trust statutes.

One or two commissioners are insisting that state officials reach their own decision as to what if any legislation to sponsor without conferring with company people.

Counsel for a number of important companies, it became known, have advised their companies to discontinue taking part in any organization or bureau operations in view of the Supreme Court decision. Others, however, feel that this is not the correct procedure. They argue that if the companies over the years have been violating federal law, their guilt won't be compounded by continuing to operate on the customary basis for a few more months.

Another suggestion being advocated is that the Bailey-Walter bill be amended

so as to make it operative only until some time in 1945, the theory being that this would set at rest fears as to everyday operations being in violation of the anti-trust laws, and would give an opportunity to fashion a more permanent program.

As to state premium taxes that are imposed on foreign but not domestic companies, there is a rather general belief that these are placed in jeopardy.

### Election Contest Fades

As the convention opened the prospect of an election contest faded. It was rumored at the recent St. Louis



NEWELL JOHNSON

### MUTUAL TRUST LIFE INSURANCE COMPANY

HOME OFFICE  
CHICAGO



FIELD BUILDING  
ILLINOIS

*"As Faithful as Old Faithful"*

ONE OF THE LOWEST NET COST COMPANIES  
IN THE UNITED STATES.

SAME RATES — SAME DIVIDENDS AND SAME  
NET COST SINCE 1937.

Two Outstanding General Agency Opportunities and  
a Few District Agency Openings in Illinois and Iowa.

The Agricultural Midwest Is Enjoying the Greatest  
Prosperity in All Its History.

Men Who Believe They Have General or District  
Agency Qualifications May Obtain Full Particulars  
by Addressing the Agency Department.

*Nothing Better in Life Insurance*

### GLOBE LIFE INSURANCE COMPANY OF ILLINOIS

Offers Illinois Agents  
Exceptional Agency Opportunity  
VERY ATTRACTIVE CONTRACTS

COMPLETE LIFE INSURANCE  
COVERAGE — AGES 0-60

Excellent Line of Juvenile Policies  
FULL BENEFIT AGE 5

For Particulars Write Home Office — Address Since 1895  
431 South Dearborn St., Chicago, Illinois  
WM. J. ALEXANDER, PRESIDENT

## Mutual Life Sells \$15 Billion Bonds

Mutual Life has sold 36 lots of state and municipal bonds, totaling \$15,356,000, in a competitive sale. Bids were asked on 40 lots of bonds, totaling \$17,565,000, but bids for 4 lots, in the amount of \$2,209,000 were rejected.

There were 222 bids, chiefly from investment dealers and banks. Among the blocks of bonds sold were \$2,394,000 city of Detroit, \$2,000,000 Louisiana highway, \$1,800,000 city of Chicago water works, \$1,000,000 Boston metropolitan district, \$840,000 Illinois highway, \$805,000 Los Angeles electric plant, \$605,000 city of San Francisco and \$500,000 Tennessee highway bonds.

in son of Illinois are operating in most efficient style. They prepared carefully in detail and the commissioners are being given the best possible service.

J. P. Gibbs, casualty commissioner of Texas, who is slated to give a formal paper on workmen's compensation insurance, was moved from the Thursday morning to the Friday morning session.

### Multiple Line Issue

Had it not been for the issues presented by the Supreme Court decisions, the debate on multiple writing powers for companies other than life would have captured the headlines, but as it is this otherwise major question is getting only secondary attention.

The life insurance people are in a fairly relaxed mood at this convention. They are confronted by no major questions and they feel that they are the least affected, at least from the immediate standpoint, by the Supreme Court decisions. There was considerable comment on the speech in Chicago the previous day of President T. I. Parkinson of Equitable Society urging the commissioners to petition the Supreme Court for a rehearing, but there was little disposition of the other life people to change their attitude of aloofness from the problem.

Wednesday morning was consumed by committee meetings and by countless lobby discussions of the Supreme Court decisions.

There was intense interest in the Wednesday morning session of the federal legislation committee, but this meeting was delayed while the lobby discussions continued in an effort to arrive at some bases for commencing committee consideration. The committee then decided to hold executive sessions throughout the week till Friday afternoon when an open session will be held at which all will be welcome.

A great variety of opinions and plans was in evidence and it will be quite a task to get the opinions into a common mould.

The full fraternal committee agreed with the conclusions of its subcommittee that further consideration of the proposed uniform code should be postponed until actuarial studies are completed.

Commissioner Garrison of California and other westerners wired they had been greatly delayed by flood waters in Nebraska.

The executive committee went into session Wednesday afternoon. Acting Director Parkinson of Illinois gave a word of greeting and explained the services the hosts had made available. A letter was read from Charles H. Burras, president Joyce & Co., Chicago, and secretary National Association of Casualty & Surety Agents, suggesting the commissioners adopt a resolution recommending that each state department license without examination those persons with the C.L.U. or Chartered Property & Casualty Underwriters (C.P.C.U.) designations. This was referred to the casualty and surety committee. The executive committee then went into executive session.

In  
Man  
ority  
all m  
1, ju  
Com  
that  
will v  
seeki  
there  
been  
that  
while  
out rea  
two o  
usual  
male  
Some  
they  
do n  
in a  
Effect  
Just  
referr  
field  
and a  
the p  
into c  
vides  
those  
work  
U. S.  
ance w  
local a  
area i  
A v  
an es  
need  
when  
tial jo  
cannot  
ship cu  
preve  
W M  
be giv  
ing m  
A v  
the e  
take a  
It s  
have  
emplo  
most i  
not be  
staff o  
Howe  
ployes  
service  
  
Michi  
DET  
actuar  
dent o  
at the  
Frank  
tion.  
Dr.  
gan,  
Borch  
tar a  
Liabil  
actuar  
  
Leadin  
usu  
and h  
sive e  
and s  
admin  
depart  
Box W  
John S  
  
XUM

## Much Employment Activity Prior to July 1 Deadline

In view of the fact that the War Manpower Commission's so called priority referral system for employment of all male workers becomes effective July 1, just now there is a flurry of employment activity in the insurance business. Companies that are in need of men but that have not been actively trying to fill vacancies, now are getting busy and seeking to hire men before July 1. Then there are a number of men that have been contemplating making a change that are impelled to seek a connection while they are still free to do so without going through a government bureau. It is likely that during the next two or three weeks there will be an unusual number of changes on the part of male employees in insurance offices. Some offices may be caught short, if they lose men just before July 1, and do not have time to make replacements in a free market.

### Effect Is Problematical

Just what the effect of the priority referral system may be in the insurance field is problematical. In a question and answer release on the workings of the plan, WMC states that it will go into effect July 1 at the latest. It provides that employers in any area, except those in agriculture, may hire male workers only from those referred by the U. S. Employment Service or in accordance with arrangements approved by the local USES after consultation with the area management labor committee.

A man will be referred to other than an essential job only when he is not needed for an essential job in the area, when he is unable to accept an essential job outside the area and when he cannot take the job without undue hardship or unless special emergency circumstances or other good cause would prevent his acceptance.

### Freedom of Choice

WMC states that the employer will be given a freedom of choice in accepting men sent to him by USES.

A war veteran is given 60 days after the effective date of his discharge to take any job he wants, even in a non-essential industry.

It seems likely that this system will have the effect of deterring insurance employers from hiring new male employees except to fill vacancies of the most important nature where work cannot be done by a shifting of the present staff or by the employment of women. However they will be able to take employees that are released from military service or other war veterans.

### Michigan Actuaries Elect

Detroit—Ward Hartwell, assistant actuary of Maccabees, was elected president of the Michigan Actuarial Society at the annual meeting. He succeeds Frank Lee, Women's Benefit Association.

Dr. Carl Fischer, University of Michigan, was named vice-president; Alvin Borchard, Michigan department, secretary and Ralph Wade, Michigan Mutual Liability, treasurer. The society includes actuaries of life and casualty companies.

### WANTED

Leading Casualty Company offers unusual opportunities to group accident and health underwriter with comprehensive experience capable of setting up and supervising the underwriting and administrative divisions of a new group department. Replies held confidential. Box W-18, The National Underwriter, 99 John St., New York 7, N. Y.

## NEW YORK

### BOND SALES IN N. Y. C.

By noon of the first day of the fifth war loan drive, 79 New York Life "Victory Volunteer" teams in New York City had reported 3,904 sales for \$390,000 of bonds. Raymond C. Johnson, assistant vice-president, is team sales manager. Principal speakers at the rally for the drive were former Governor Alfred E. Smith, New York Life director, and President George L. Harrison.

Arthur Ross, Mutual Life, sold 100 bonds, the 100th to J. B. Maclean, vice-president and actuary of the company, bringing Mr. Ross' total paid-for to \$6,000. Mr. Ross heads the death claim and matured endowment division of the actuarial department.

Mutual Life "Bondadiers" have a quota of 12,600 sales for \$1,260,000.

### COLONIAL LIFE IN NEW QUARTERS

Colonial Life has moved its Newark branch office from 41 Central avenue to larger quarters in the National Newark building, 744 Broad street.

**Julius Selling agency State Mutual, New York City**—In April the agency led the company in both paid lives and volume and was selected as agency-of-the-month.

### St. Louis Trust Council Elects

Clarence D. Cowdery, vice-president Boatmen's National Bank, who was one of the organizers of the Life Insurance & Trust Council of St. Louis, was elected president at its annual meeting. Vice-president is Donald O. Cramer, Prudential; secretary, John H. Leaver, Mutual Benefit Life, and treasurer, A. S. Bland, Jr., Mercantile-Commerce Bank & Trust Company. Horace Davis, Massachusetts Mutual Life, is the retiring president.

The program included an interesting skit originally written for the Chicago Trust Council, and presented by William King, Fidelity Mutual Life; Mr. Cowdery, Ray Flint, John Hancock Mutual Life and John E. Gaskill, Jr., St. Louis Union Trust Company. The council now has more than 100 members.

### Expect U. S. Wage, Hour Ruling

WASHINGTON—Labor Department officials here expect early action by Wage and Hour Administrator Metcalf Walling on a proposal recommended some time ago by an industry committee to fix a minimum wage of 40 cents per hour for insurance company employees.

The administrator is understood to have held that their activities come within the field covered by the wage and hour act as affecting interstate commerce.

The industry committee, appointed last September, met in October and recommended the 40 cent rate. The administrator held a public hearing last November, and the matter has been pending before him for the past six or eight months.

Organized labor representatives say they have no doubt he will adopt the industry committee's recommendation.

### More Housing Financing Seen

NEW YORK—More than ample capital for financing new building is dead certain after the war, according to a survey made by the Mortgage Bankers Association of America. Life companies and other institutional investors will be more active than ever before in housing, H. G. Woodruff, Detroit, president, declared. Life companies would be taking a more active part in financing now were it not for the fact they are acting conservatively in loaning on present day increased realty values. Many loans that would normally be taken by these institutions are being taken in increasing numbers by other lenders, principally by individual investors, he asserted.

### Ruling on Insurance Where It Exceeds 5% Allowance

NEW YORK—Approval by the salary stabilization unit is not required for the payment of insurance premiums on the lives of employees in excess of 5% of the employee's annual base salary under a bonus plan meeting the exemption requirements of Section 165 (a) of the Internal Revenue Code where the premium increase in excess of 5% is due to the age or physical disability of the participant, according to a ruling received by Simon & Greeley, tax attorneys, from the internal revenue office. This will apply provided not more than \$1,000 life insurance will be made available for each \$10 of retirement income.

### Public Relations Begin at Home

Kansas City Life is furnishing its agents and employees occasionally with news items about the business which the management believes they will likely repeat to friends, and thus start on their way some word-of-mouth good will comments within the business. One of these, for example, points out it was "all started by agents." This is a stuffer which is being inserted in all employees' pay envelopes, and relates that the huge total of \$1,269,766,750 was paid in 1943

to beneficiaries in the U. S. and Canada, and that the payment of this record sum by life companies is the result of transactions between policyholders and companies for which agents must get credit.

### Texas Ruling in Real Estate

Attorney General Sellers of Texas has sustained the board of insurance commissioners on its ruling that out-of-state insurance companies may not hold real estate in Texas more than one year, unless granted an extension permit by the insurance board. This applies to real property taken in by the companies in connection with loans or foreclosures, but not to office buildings or other property used by the companies in the conduct of their business.

The ruling that Texas companies must dispose of real estate so acquired within one year has been well established but some of the out-of-state companies contended that the ruling did not apply to them.

The annual outing of the Pittsburgh Supervisors Club will be held June 23.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.



## Playground of America

Saint Paul . . . city of beauty . . . city of lakes and parks, of lovely boulevards and rolling green golf courses . . . no wonder The Minnesota Mutual has flourished in this pleasant, friendly atmosphere.

In the center of the summer playground of America, Saint Paul, surrounded by cool lakes, is the vacation spot of the nation. Each year thousands come North to enjoy the pleasant climate, the swimming, golf, and tennis of Minnesota's Capitol City. No wonder so many people have found Saint Paul a pleasant place to work and live.

**THE  
MINNESOTA MUTUAL  
LIFE INSURANCE  
COMPANY**  
ST. PAUL 1, MINNESOTA

**ST. PAUL**  
sends greetings to the insurance men in Spokane where Minnesota Mutual plans to establish a General Agency.

**WHY THE  
MINNESOTA  
MUTUAL?**  
We offer unusually effective selling equipment.

## EDITORIAL COMMENT

### Respect for the Insurance Business

In spite of that portion of the majority Supreme Court decision in the S.E.U.A. case which deals with the interstate transportation of women, whiskey and diseased cattle, and which has been seized upon by some in the business as a characterization by outsiders that resembles the alleged ranking of the business next to artificial flowers, one of the significant things about the opinions in the commerce case is the attitude of respect toward the insurance business evidenced by members of the court.

It runs through the dissents of Chief Justice Stone and Justice Jackson, and is specifically exemplified in the opinion of Justice Black. It is not due entirely to the quality of the minds of the justices nor the dignity of the tribunal. It is a tribute to the insurance business itself, and in the light of the public relations movement within the industry, suggests a reappraisal by those in and out of the business.

The Supreme Court not only recognizes the size and importance of insurance, it is thoroughly aware of the peculiar nature of the business. To the court it is a big business in the aggregate, but a small business in the intimacy with which it touches the lives and businesses of the American people.

The business has been a little self-conscious since the start of the war as to its importance and essentiality. The tenor of the Supreme Court's attitude should dispel that.

But even before the war, beginning perhaps with the social security act, and certainly with the T.N.E.C. investigation, the attitude of the government has caused surprise, even astonishment, among insurance people. They could not and perhaps do not yet clearly understand why the government should be after their industry. One reason is that insurance is a big business. From the viewpoint of government it is "big business," and therefore in the American political tradition it is entitled to vigorous, possibly even inimical attention from governmental forces.

Yet the surprise of the insurance people is natural. It springs from the conviction that insurance is essentially a small business, broken up among 100,000 local and life agents, and shared among—and competed for—by hundreds of life, fire and casualty companies, many of

them small. It stems from the fact that the agent, whether he represents a life company or operates a local agency is not only an individualist but is almost as ubiquitous as the drug store.

There is less concentration of control and a far wider participation in the profits and functioning of insurance than in practically any other big business. In steel, automobiles, motion pictures, and other major industries, considerable control is exercised by a few of the companies over the entire industry by the very influence of size. But not in insurance. It does not lend itself to such control. There are hundreds of companies, each energetically fighting for a place in the sun. There are thousands of agents constantly seeking by improved service to acquire new clients. It is essentially a personal business.

It has always been hard for those outside insurance to recognize this special quality. Some newspaper men have found it difficult to believe that a few large companies do not control the business. Yet the very special nature of the business is clearly interpreted by the Supreme Court throughout the S.E.U.A. opinions, and it is clearly set forth in Justice Black's comments.

As to size, he states that "the modern insurance business holds a commanding position in the trade and commerce of the nation. It has become one of the largest and most important branches of commerce. . . . Its total assets exceed \$37 billion, or the approximate equivalent of the value of all farm lands and buildings in the United States. Its annual premium receipts exceed \$6 billion, more than the average annual revenue receipts of the U. S. government during the last decade." Its "524,000 experienced workers" are almost as many as those who exist through coal mining or automobile manufacturing. Yet "perhaps no modern commercial enterprise directly affects so many persons in all walks of life as does the insurance business. Insurance touches the home, the family and the occupation or business of almost every person in the U. S."

Probably insurance can expect government to turn its attention toward the business from time to time, but that should not embarrass the industry. It has the characteristics and strength to make and hold its own elbow room.

### Letters Received Today Answered Today

A general agent has printed at the bottom of his letterhead "Letters Received Today Answered Today." This

calls to mind the habit that some people have formed of delaying answering letters. It is very easy to push aside, for

instance, a card to be mailed out showing if one will be present or not present at a luncheon or dinner. It becomes a chronic habit with various people to delay answering any mail except what is

immediately necessary. The rest piles up. There is something impressive in receiving a prompt answer to a letter. It leaves a good taste in the mouth of the recipient.

## PERSONAL SIDE OF THE BUSINESS

**M. A. Linton**, president of Provident Mutual Life, declared in an address at the 99th annual commencement of Friends Central School in Philadelphia that the decade following the war will be one of dynamic expansion, offering great opportunities for those capable of taking advantage of them.

This will contrast to the decade preceding the war, when the watchword was security, as a result of the depression. There will be interest in social security in the post-war period but this will be subordinated to opportunity.

**Eber M. Spence** of Shoptaugh, Spence & Barrett, general agents of Provident Mutual Life in Indianapolis, has been reelected as a trustee of James Millikin University. This will be his third term. Mr. Spence was graduated from the university in 1921 and has been in life insurance ever since.

**Berkeley Cox** has resigned as chairman of the Hartford Housing Authority because of pressure of his duties as associate counsel of Aetna Life, but agreed to hold the post until a successor is appointed.

**Maj. A. Otis Graeser**, assistant secretary of Ohio National, who is serving with the office of dependency benefits in Newark, recently spent several days in Cincinnati visiting his mother and former associates at the home office.

**L. R. Lunoe**, recently appointed regional sales director of Commonwealth Life, has started on a field trip at Columbus, O., which will take him on his first visit to company agencies in the northern territory that he is now supervising.

The Vanderbilt University board of trustees has reelected **E. B. Stevenson**, executive vice-president of National Life & Accident, a trustee of the school of social work to run until June, 1947.

**Jerome A. Boyer**, assistant superintendent of claims of Northwestern Mutual Life, has been elected president of the Milwaukee Junior Association of Commerce.

**Walter L. Curtright**, district manager of Prudential, Beloit, Wis., has been elected president of the Beloit Lions Club.

**Herbert J. Schwahn**, special agent of Northwestern Mutual in the Stamm general agency, was elected president and **Eugene C. Meng**, Travelers, first vice-president of the University of Wisconsin Alumni Club of Milwaukee.

**H. O. Fishback, Jr.**, vice-president of Northern Life, is leaving this week on an extended visit to the midwest. He will attend the annual meeting of the National Association of Accident & Health Underwriters in St. Louis as a delegate of the Seattle Accident & Health Managers Club and following the convention will visit Northern Life's agencies in the midwest.

After more than two years of voluntary service as war savings administrator for Rhode Island and then executive

manager of the state war finance committee, **Roderick Pirnie**, Massachusetts Mutual general agent in Rhode Island, has been named state chairman of the war finance committee by Secretary Morgenthau. The organizations headed by Mr. Pirnie have thus far accounted for \$450,000,000 of bond sales.

**O. J. Lacy**, president of California-Western States Life, was honored at a luncheon in Sacramento on his 10th anniversary in that post. Home office officials and sponsors of the sales campaign held in May attended. Robert E. Murphy, vice-president and manager of agencies, announced the results of the "May for O. J." drive. Members of the home office staff sponsored various agen-

**James F. Ramey**, executive vice-president of Washington National, was taken to St. Francis Hospital, Evanson, with an acute abdominal attack.

**James L. Madden**, vice-president Metropolitan and insurance chairman of the U. S. Chamber of Commerce, and **Chester O. Fischer**, vice-president Massachusetts Mutual Life and regional director of the U. S. Chamber for New England, will participate in the festivities when Hartford, Conn., is awarded the grand fire prevention prize for 1943 and a place on the National Health Honor Roll of the U. S. Chamber of Commerce, June 19 in Hartford.

**T. W. Appleby**, president of Ohio National Life, and Mrs. Appleby have gone to a place near Ludington, Mich., for the summer. Both have been in poor health.

## DEATHS

**W. P. Helscher** of Robstown, Tex., one of the old guard of Southwestern Life agents until he retired a few years ago, died at the age of 82. For many years he was located at Corpus Christi, where he was prominent in civic affairs.

**Steel Shelby**, agent of the Tom E. Lipscomb Penn Mutual agency at Louisville since 1926, died after a prolonged illness of virus pneumonia. Mr. Shelby was a descendant of Isaac Shelby, Kentucky's first governor.

**Lt. Philip M. Childs**, 48, U.S.N.R., of Brookline, Mass., son of Arthur E. Childs, former president of Columbian National Life and himself formerly first assistant secretary and a director of Columbian National, died in San Juan, Puerto Rico. He was on his way to foreign duty at the time of his fatal illness.

**Harry W. Porter**, 74, New Bedford, Mass., superintendent and district manager of Boston Mutual Life, died there. He was the oldest superintendent of the company in point of service.

**Riley G. Cunningham**, manager of Metropolitan Life at various points in Kansas and Missouri and more recently at Sedalia, Mo., following several years



## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., Tel. Wabash 2704.

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

Business Dept.: John F. Wohlgemuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg. Tel. Walnut 5867. E. E. Hess, Resident Mgr.

BOSTON 16, MASS.—944 Park Square Bldg. Tel. Hubbard 8696. R. E. Richman, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. S. Cutler, Associate Managers. J. W. Atkinson, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, and Abner

Thorp, Jr., Vice-Presidents. G. C. Roeding, Associate Manager; J. T. Maloney, News Editor.

DALLAS 1, TEXAS—526 Wilson Bldg., Tel. Riverside 3383. F. B. Humphrey, Resident Mgr.

DES MOINES 12, IOWA—323 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.: R. B. Mitchell, Eastern Editor; George E. Wohlgemuth, Assistant Editor; Dorothy B. Paul, Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

LIFE INSURANCE EDITION  
PUBLISHED EVERY FRIDAY  
CHICAGO 4, ILL. Telephone Wabash 2704.

BUSINESS DEPT.: John F. Wohlgemuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. E. Fredrikson, Resident Mgr.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.

## BRANCH OFFICES IN KEY CITIES

Jun  
gan  
Life  
sud  
had  
ago  
V  
gen  
of  
Yon  
a l  
busi  
pro  
had  
Yor  
Mut  
Nor  
M  
of C  
Colu  
Har  
pany  
daug  
T  
Equ  
and  
year  
1934  
Pros  
J  
direc  
York  
in b  
Lin  
to  
Ar  
ager  
offic  
point  
the s  
ice c  
N a  
ne w  
group  
of w  
mana  
Mr  
assu  
duti  
Way  
gun  
work  
the g  
will  
secret  
the h  
with  
presid  
heads  
newly  
the n  
life,  
and s  
Five Y  
Mr.  
group  
ing as  
Boston  
Ph  
Pro  
Photo  
Leroy  
counse  
H  
secreta  
C. Kai  
promot  
of sale  
Experi

Mr.  
ney in  
head o  
associ  
secretary  
in 194  
ance a  
Mr.  
sales p  
ing its

at Wichita, where he had assisted in organization of the Kansas and Wichita Life Underwriters Associations, died suddenly at Neodesha, Kan., where he had moved following retirement a year ago because of failing health.

**W. K. Vickers**, 57, formerly associate general agent of the Patterson agency of Massachusetts Mutual Life in New York City, died at Summit, N. J., after a long illness. He left the insurance business about two years ago to become production manager of a war plant. He had been brokerage manager for New York City agencies of New England Mutual, National Life of Vermont, and Northwestern Mutual.

**Mrs. Josephine A. Brandon**, 84, wife of C. W. Brandon, former president of Columbus Mutual Life, and mother of Harry P. Brandon, editor of the company's publications, died Sunday. A daughter and another son also survive.

**Theodore H. Polhemus**, 70, with Equitable Society 51 years in New York, and agency manager there for many years, died after a short illness. Since 1934 he had been associated with the Prosser & Homans agency.

**Joseph W. Simpson**, for 20 years a director of Union Mutual Life, died at York Harbor, Me. He was prominent in business and in Republican politics.

## COMPANIES

### Lincoln National to Expand Group

Arthur C. Rogers, for 11 years manager of John Hancock's Chicago group office, has been appointed to direct the sales and service of the Lincoln National Life's newly-enlarged group department of which he will be manager.

Mr. Rogers has assumed his new duties in Fort Wayne and has begun preliminary work necessary to the expansion of group activities. He will work closely with S. C. Kattell, secretary, who will continue to direct the home office operations in connection with group, and with A. L. Dern, vice-president and director of agencies, who heads the regular agency forces. The newly-enlarged group division will in the near future offer group coverage on life, accident and health, hospitalization and surgery.

#### Five Years in Home Office

Mr. Rogers spent 16 years in the group division of John Hancock, starting as a home office representative in Boston where he spent five years.

### Phoenix Mutual Promotes Three

Phoenix Mutual Life has promoted B. Leroy Holland, formerly secretary and counsel, to vice-president and counsel and Herbert C. Skiff, formerly agency secretary, to assistant secretary. Reuel C. Kaighn, formerly supervisor of sales promotion, has been appointed manager of sales promotion.

#### Experience of These Men

Mr. Holland joined Phoenix as attorney in 1924 and became successively head of the income settlement division, associate counsel in 1934, assistant secretary in 1938 and secretary and counsel in 1940. He is author of "Life Insurance as Collateral."

Mr. Skiff joined Phoenix Mutual's sales promotion division in 1923, becoming its manager in 1928. He became

agency secretary in 1932.

Mr. Kaighn has been with Phoenix since 1932.

### New Ia. Company to Take Over Assessment Society

**DES MOINES**—Articles of incorporation of American Home Life of Spencer, Ia., a mutual legal reserve life company, have been filed with the secretary of state and have been approved by the insurance department and attorney general. Fred C. Crowell is president; C. J. Coder, vice-president, and T. H. J. Crowell, secretary.

The company plans to reinure the business of American Home Mutual Benefit, an assessment association not licensed by the insurance department. The new company has applied for a license and must deposit \$25,000 in securities to meet this qualification.

This is the first change-over from an assessment society, a type of business which has been under scrutiny by the insurance department and the attorney general's office for some time. Two other assessment societies have been re-insured by out-of-state non-licensed life companies.

Efforts were made at the last legislative session to pass legislation which would bring these societies under the fraternal insurance laws but the bill failed. Following this Commissioner Fischer asked for the appointment of a special assistant attorney general to investigate them. Edward White, Carroll attorney, has been handling this matter.

#### Crawford Mutual Life Trustee

Frederick C. Crawford, president of Thompson Products, Inc., of Cleveland, has been elected a trustee of Mutual Life. He is chairman of the National Association of Manufacturers, and served as president in 1943.

## MANAGERS

### Pittsburgh Outing Friday

The Agencies Committee of Pittsburgh and the Life Insurance & Trust Council are holding a joint outing Friday at the Shannopin Country Club.

### S. F. Managers Elect Friday

The San Francisco General Agents & Managers Association will elect new officers following a golf tournament and outing June 16. Gilbert Ball, California-Western States Life, is now president.

### Toledo Cashiers Elect

The Toledo Life Agency Cashiers Association has named Mrs. Alice Gilbert Jensen, Connecticut General, president, succeeding Mrs. Pauline W. Hoskin, New England Mutual. Miss Rose Branderburger, Penn Mutual, is vice-president and Mrs. Olive Drake, Bankers Life, secretary-treasurer.

### Nelson Sioux City President

Howard Nelson was elected president of the Sioux City (Ia.) General Agents & Managers Association at the annual meeting, succeeding Scott Burpee. C. W. Rosser was elected vice-president and S. A. Greenstone, Aetna Life, was re-elected secretary. G. Franklin Ream, assistant superintendent of agencies Mutual Benefit Life, spoke on "Present Day Problems of Recruiting Agents."

### N. A. L. U. Officials in Dallas

H. A. Hedges, president National Association of Life Underwriters; Jul B. Baumann, Pacific Mutual, Houston, and E. J. Dore, Berkshire Life, Detroit, both N. A. L. U. trustees, were guest speakers at the final meeting of the season of the Dallas Life Managers Club Monday.

### Commerce Decisions Reviewed

At a meeting of the Life Insurance Managers Association of Los Angeles, Paul Sandmeyer, chairman of the life,

accident and health division, insurance section of the Los Angeles Bar Association, spoke on "The Supreme Court Rules That Insurance Is Interstate Commerce. What Next?"

Citing the Polish National Alliance case, he said the ruling of the court leave no question that life insurance is included in interstate commerce.

He reviewed the previous rulings set aside by the recent decisions and listed some of the numerous phases of insurance upon which Congress could pass regulatory laws.

### Boston Supervisors Elect

The Boston Life Supervisors Club has elected these officers: President, A. Otis Shurrocks, Berkshire Life; vice-president, Luman G. Clogston, Connecticut Mutual; secretary-treasurer, Albert H. Curtis, 2nd, New England Mutual Life.

Staff Sgt. J. C. Peacock, a former member of the 308th heavy bombardment group in India and China, was guest speaker at a meeting of the Life Insurance Cashiers Association of Dallas.

Write **Accident & Health Bulletins**, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

## CHANGES

### Many N. Y. Life Changes Are Made in Middlewest

Paul C. French, formerly agency director at Kansas City, has been transferred to Detroit as agency director for New York Life.

H. W. Hughes, formerly agency director at Des Moines, has been transferred to Kansas City as agency director.

#### Other Shifts Are Made

R. J. Gilbreath, formerly agency director at Sioux City, Ia., has been transferred to Des Moines as agency director.

Floyd E. Morgan, formerly agency organizer at Lincoln, Neb., has been transferred to Davenport, Ia., as agency director.

D. J. Haley, formerly agency director at Davenport, has been transferred to Sioux City as agency director.

Irvin E. Hurst of Oklahoma City has



### THEY'RE NEITHER TOO YOUNG NOR TOO OLD!

Yes, we write Life Insurance from ages 1 day to 75 years.

In times when sales to men in the 18 to 38 bracket are restricted, that's important.

Our age limits on Accident & Sickness are broader, too.

### Occidental Life

INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE • LOS ANGELES

V. H. Jenkins, Vice-President

"We pay lifetime renewals — they last as long as you do"



A. C. Rogers

been appointed as agency organizer of the Oklahoma branch.

## Forker Los Angeles General Agent

Pacific Mutual Life has appointed Floyd W. Forker general agent in the Chamber of Commerce building, Los Angeles.

Mr. Forker has been with Pacific Mutual since 1925, when he became an agent in the John Newton Russell



FLOYD W. FORKER

agency. He became successively supervisor, assistant manager and manager in Long Beach. Then he was transferred to the home office agency department and since 1937 has served as manager of sales promotion. He received the C.L.U. designation in 1929 and was one of the founders of the Los Angeles C.L.U. chapter.

He has been in demand as a speaker before life insurance gatherings, has

been active in war bond sale and war chest activities and is now president of the Los Angeles Council of Boy Scouts.

outside of insurance. A. T. Thompson has been appointed field assistant in the Atlanta branch.

Philadelphia. He is treasurer of the North Aronimik Civic Association.

## Manhattan Life Names Kelley-Baum at Detroit

Manhattan Life has appointed the Kelley-Baum agency as general agents at Detroit. Ruth M. Kelley and Arthur A. Baum are well known in Detroit insurance circles, having formerly been connected with Connecticut Mutual for a number of years.

Mr. Baum, in addition to being a successful personal producer, is prominent in national bridge circles. Miss Kelley, a graduate of the University of Detroit, is a member of the Quarter Million Dollar Round Table. She is a director of the Detroit Life Underwriters Association and president of its women's group.

## Harr Regional Manager of Franklin in Southwest

Franklin Life has appointed Worley Harr as regional manager for Texas, Louisiana and Arkansas, replacing A. V. Mozingo, vice-president, who recently transferred to the southeast. Mr. Harr will supervise agency development in the Texas area with headquarters in Dallas. He started in insurance with Jefferson Standard Life as agent, becoming supervisor and then branch manager. Mr. Harr has been vice-president and director of agencies of Shenandoah Life for a number of years, and more recently in charge of agency development in the southwest for Atlantic Life.

## Several Changes Made in Travelers Field Positions

Travelers has promoted J. D. Kattenhorn, assistant manager of the life department of the 55 John street office, New York City, to manager at Yonkers, N. Y. J. T. Henderson resigned as manager in Yonkers to become associated with Ter Bush & Powell, in Schenectady, N. Y.

C. F. Hagenow, New Haven, Conn., has been appointed field assistant in the Hartford branch. He has been an agent at Hartford for two years and previously was salesman and sales manager

## Piper Eastern Tennessee Agency Head of Atlantic

Atlantic Life has appointed Harry M. Piper agency director for east Tennessee, with headquarters in 302-4 Central



HARRY M. PIPER

building, Bristol. He had wide experience in life insurance business, representing Volunteer State Life for the last 18 years, and previously being district agent of Atlantic Life at Bristol for four years. He is widely known throughout eastern Tennessee.

Mr. Piper already has a nucleus of an organization, having appointed D. E. Brumit, J. R. Heifner, C. E. Lovett, H. M. Rector and J. L. Hughlett as special agents.

## W. F. Nicholson Is Advanced

William F. Nicholson has been named agency assistant manager in the Philadelphia ordinary agency of Prudential. He has been with Prudential since January, 1943 as special agent at

Philadelphia. He is treasurer of the North Aronimik Civic Association.

McGaughy Assistant to Bishop

J. W. Bishop, general agent of Northwestern Mutual Life in Chattanooga, Tenn., has appointed J. M. McGaughy, well known life agent and former president of both state and local life underwriters associations, as agency assistant. He saw active service as a captain in the former war.

Anthony A. DeMartini has been named assistant manager of Metropolitan Life in Portland, Ore.

## L. A. Trust Council to Elect

The Life Insurance & Trust Council of Los Angeles will hold its annual meeting June 26. Walter L. Nossaman, tax and trust expert, will speak.

## POLICIES

## Lincoln Nat. Rate Scale Revised

In the first general premium increase since June 1, 1941, Lincoln National has increased premium rates on all policies except those involving a low interest earning factor. The most substantial increase was made in those contracts where the investment factor is of greatest importance. However, because they had already been adjusted to current conditions, retirement income, annuities, single premium contracts and adjustable 10-pay life rates remain the same. Nor was a change made in the convertible term and family income rates.

Minor adjustments at a few ages were made in the life expectancy and "emancipator" premiums. Increases in non-participating ordinary-life preferred risk are confined to ages above 48 and non-participating endowment age 85 to premiums above age 44. It was reported no rate changes were made at younger ages and the changes at older ages were especially on investment type contracts.

Disability rates, both waiver and income, have been increased. Sub-standard extra premiums have been completely revised, in many cases downward to such an extent that in a number of instances the total premium on a rated case is actually reduced.

## Second Year Cash Values Now

Second year cash values now are shown, where formerly these values were shown only at the end of the third year.

Because of little interest shown in them, life paid up at 60, 20 pay endowment 60, endowment annuity at 55 and "continuator" were dropped from the rate book. Rates above age 43 on the 5 star annuity at 58 and above age 47 on the 5 star annuity at 65 no longer are quoted. Two new riders, supplemental term and family maintenance, were added.

Payout benefit with juvenile insurance provides waiver of premium to insured's age 21; previously it was to age 14. Joint and two-thirds survivor annuity options are incorporated in the retirement income and 5 star annuity contracts.

A comparison of old and new non-participating rates is:

	O. L.-N. P.	20 P.-N. P.	N. P.			
Age	New	Old	New	Old	New	Old
25	\$16.47	\$16.47	\$27.38	\$26.00	\$46.64	\$45.04
35	32.19	22.19	33.47	32.00	47.34	46.12
45	32.09	32.09	42.70	41.33	50.82	49.91
55	50.28	49.37	57.61	56.66	60.78	60.01

	O. L.-N. P.	20 P.-N. P.	N. P.	
Age	New	Old	New	Old
25	\$17.85	\$17.85	\$28.93	\$26.73
35	24.11	24.11	34.74	33.24
45	34.48	34.36	43.77	42.72
55	52.56	51.97	58.65	57.52

Premiums on all participating policies, except retirement income and single

# TO THE MAN WHO DEMANDS SOMETHING BETTER IN LIFE

You can quickly realize your ambition to find something better in LIFE — without having to give up any of your present activities. Columbus Mutual's Packaged Plans open the way for you! They simplify LIFE insurance selling to a complete series of clear-cut, self-explanatory, individualized plans. Each plan covers a definite group of preferred benefits. Each group of benefits is available in a range of amounts covering almost any need, preference, or pocketbook. It takes only a few minutes to show each client how he can get what he wants, and how much it will cost him. You close sales quickly — and often!

PROOF that you can profitably sell Packaged Plans in addition to all of your present lines is shown by the fact that 60 per cent of Columbus Mutual's new business comes from local agents! The entire sales policy of this progressive company has been specially developed to make LIFE easier for general insurance men to handle. You'll also like Columbus Mutual's ready cooperation, generous commissions, Golden Rule contract, and other helpful policies. Write for full information on Packaged Plans, or mail the coupon for sample sales portfolio. Do it today!

D. E. BALL, President  
The COLUMBUS MUTUAL LIFE INS. Co.  
Columbus, Ohio



Please send me a sample portfolio of your Packaged Plans, with information on Columbus Mutual's liberal agents' contract and other helpful material.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

premium contracts have been increased. A tentative scale, adjusted to current interest, mortality and expense rates has been prepared. Also, reduced scales for participating policies now in force will become effective July 1. Average payments over a 20 year period—based on old and new scales—are:

	20 Yr. End.		
O.L.-Par.	20 P.-Par.	Par	New Old
Age New	Old	Old	New Old
25 \$15.21	\$15.12	\$24.62	\$24.02
35 21.03	20.91	30.62	29.98
45 31.18	30.67	39.98	39.04
55 48.69	47.61	55.17	53.83
20 P. E. 85	20 P. E. 85	Par	62.26 58.47
Age New	Old	New Old	
25 \$18.62	\$16.01	\$28.17	\$24.97
35 24.53	21.88	34.21	30.97
45 32.91	31.84	43.64	40.08
55 53.06	49.40	58.98	55.06

## Security Mutual, N. Y. Again Writes Single Premium Form

The single premium 15 year endowment again is included in the rate book of Security Mutual of New York. Rates based on American Men ultimate table and 2½% interest, are shown below. The single premium life policy now may be written to and including age 70. Single premium 20 year endowment may now be written to and including age 55.

An additional protection term agreement can be attached to any form except term, juvenile and retirement annuity to provide triple protection for a period of 15 or 20 years. The 15-year rider is convertible within eight years and the 20-year within 10 years.

Age	Single Triple			Single Triple			
	Prem.	Prot.	Yrs.	Prem.	Prot.	Yrs.	
15	15	20	Yrs.	15	15	20	
20	76.42	5.82	5.99	37	769.41	9.49	11.20
21	76.85	5.88	6.08	38	770.21	10.06	11.94
22	76.97	5.95	6.19	39	771.11	10.71	12.76
23	76.57	6.01	6.30	40	772.12	11.43	13.66
24	76.17	6.09	6.44	41	773.24	12.22	14.65
25	76.27	6.19	6.59	42	774.48	13.10	15.73
26	76.58	6.28	6.75	43	775.85	14.06	16.92
27	76.50	6.41	6.95	44	777.36	15.12	18.20
28	76.65	6.54	7.18	45	779.01	16.27	19.60
29	76.85	6.72	7.43	46	780.81	17.54	21.11
30	76.65	6.91	7.73	47	782.77	18.93	22.75
31	76.63	7.14	8.06	48	784.91	20.42	24.52
32	76.66	7.42	8.44	49	787.22	22.07	26.43
33	76.70	7.73	8.88	50	789.73	23.84	28.49
34	76.73	8.08	9.37	51	.....	35.18	.....
35	76.87	8.50	9.91	52	.....	.....	.....

## Union Central Raises Age Limits: Has New Options

Union Central now is writing 20 year endowment up to and including age 65; previously it was written to age 60. The multiple protection policy age limits are increased by five years on the three plans, from age 45 to 50 on the 20 year plan, from 51 to 55 on the 15 year plan, and from 56 to 60 on the 10 year plan.

Premium rate to provide \$10 monthly life income, guaranteed for 10 years, to female applicants now are included in the rate book, as listed below. This contract provides \$1,500 insurance to maturity date.

Endowment Income—Female	
Age at 60	at 65
10...\$30.20	\$26.67
11...30.91	27.21
12...31.68	27.77
13...32.45	28.36
14...33.28	28.98
15...34.15	29.63
16...35.07	30.31
17...36.04	31.03
18...37.06	31.79
19...38.14	32.58
20...39.29	33.42
21...40.51	34.30
22...41.79	35.23
23...43.15	36.21
24...44.60	37.25
25...46.14	38.34
26...47.79	39.51
27...49.54	40.74
28...51.41	42.04
29...53.41	43.43
30...55.56	44.90

Two forms of settlement options for use in connection with business protection cases have been announced to agents. One provides for certain instalments for any number of years up to 20, and the other is an interest option with a 10-year limitation clause. The two options so far have been approved by all the states except Massa-

## NEWS OF LIFE ASSOCIATIONS

### M. P. Ford Is New Boston President

Montague P. Ford, Home Life, was elected president of the Boston Life Underwriters Association at the annual



MONTAGUE P. FORD

Smith, president New England Mutual; Guy W. Cox, president John Hancock; Francis P. Sears, president Columbian National; Harrison L. Amber, president Berkshire Life, and Jay R. Benton, president Boston Mutual Life.

### Vermont State Meeting June 21

The Vermont Association of Life Underwriters will hold its annual meeting in the auditorium of National Life, Montpelier, June 21, with about 150 present. Charles P. Flint, manager for Metropolitan at Brattleboro, Vt., is president. Special guests at noon luncheon will include Governor Wills, who is an insurance man, Commissioner Burns and President Elbert S. Brigham and Vice-president Edward D. Field of National Life.

#### Speakers Are Listed

Three afternoon speakers will be Clifford H. Orr, general agent of National Life at Philadelphia, who will speak on "Motivation"; Samuel D. Risley, superintendent of agencies of Metropolitan Life for New England, on "The Human Side," and James E. Rutherford, executive vice-president of the National association, on "The Road Ahead". Albert E. Jensen, general agent of Penn Mutual at Burlington, Vt., is secretary of the association and is arranging for the meeting in collaboration with D. Bobb Slattery, superintendent of agencies of National Life, which is acting as host to agents.

#### Postpone Kansas Parleys

The Kansas Association of Life Underwriters has voted by mail to postpone

on proceeds left with company, for not exceeding 10 years, increased from profits as apportioned annually.

The options are declared to be very useful in approach to secure interest. Payment of proceeds in small, equal, annual instalments, it is presented, protects a business firm against an immediate, devastating raid on the insurance funds. The interest option also solves some problems of receiving too large a sum of cash at a time when there is no immediate need for it. The interest rate of 2½% is presented as being unusually on funds subject to call at any time.

Option 2 provides for 2½% interest

pone its sales congress and annual meeting. A series of district meetings will probably be held in the fall, according to President Harold Lunsford, Farmers & Bankers general agent, Emporia. President Lunsford, who will continue in office for another year, has named Vernon A. Kauffman, Metropolitan, Emporia, secretary-treasurer. Membership is reported at 337.

### Foster Vineyard New Head of Arkansas Association

LITTLE ROCK—At the annual meeting and sales congress of the Arkansas Association of Life Underwriters, Foster A. Vineyard, Aetna Life, was elected president; Harry B. Brown, Penn Mutual, vice-president, and C. E. Hayes,

Union Central, secretary-treasurer. All are from Little Rock. W. W. Yopp, Jr., Life & Casualty, Jonesboro, is the retiring president.

Herbert A. Hedges, president of the National association, reviewed the contribution of life insurance to the war effort, condemned the Wagner-Murray-Dingell social security bill, and urged support of bills which would allow deduction for income tax purposes of amounts paid as life insurance premiums.

Other speakers included J. B. Baumann, Pacific Mutual, Houston, N. A. L. U. trustee; John P. Costello, Southwestern Life, Dallas, president of the Texas association, who described selling ideas that have proved successful, illustrating them with cartoons; Louie E. Throgmorton, Aetna Life, president of the Shreveport and Louisiana associations, and Edward J. Dore, Berkshire Life, Detroit, national trustee, who discussed methods of selling which have put him into the \$1,000,000 a year class.

### Arizona Association Elects

Allen Cameron, general agent for Beneficial Life in Phoenix, was elected



FOSTER A. VINEYARD

# THE MANUFACTURERS

## COMPLETE BROKERAGE FACILITIES

All Life, Endowment and Annuity Plans.

Favorable Par. and Non-par. rates.

Standard and Sub-standard risks.

Facilities for handling large cases.

Civilian Foreign Travel Coverage.

Annuities — Single Premiums up to \$100,000.

Prompt and Efficient Service.

INSURANCE IN FORCE, 727 MILLION DOLLARS

(Including Deferred Annuities)

ASSETS, 241 MILLION DOLLARS

L  
I  
F  
E  
  
INSURANCE COMPANY

HEAD OFFICE:  
TORONTO, CANADA  
Established 1887

president of the Arizona Association of Life Underwriters at the annual meeting in Phoenix. E. L. Grose, Equitable Society, is vice-president; W. C. Sills and Lloyd C. Backer, Mutual Life of New York, secretary and treasurer, respectively. Directors are: J. B. Lambert, United Benefit Life; J. B. Love, Pacific Mutual; H. F. Vinson, Northwestern Mutual, all of Phoenix.

Cavett Robert, Phoenix attorney, spoke on "Insurance Rackets."

### Cramer New President of St. Louis Association

The slate of officers for the St. Louis Life Underwriters Association, which was acted on Thursday at the annual meeting, proposed Donald O. Cramer, Prudential, for president; Ralph D. Lowenstein, Massachusetts Mutual, and James C. Greene, General American, vice-presidents, and directors, E. C. Adams, Metropolitan; F. J. Balfay, Sun Life of Canada; J. R. Bley, New York Life; E. C. Cook, Metropolitan; A. E. DeBow, New England Mutual, and R. D. Jeffrey, Provident Mutual.

Earl R. Reinke, assistant manager Carondelet agency, Metropolitan Life; T. F. Guhman, assistant manager, O'Fallon agency of Metropolitan, and Mrs. Madeline Hicks, Colfax agency, Metropolitan, put on a sales demonstration.

### Four Pittsburgh Association Branches Elect Officers

PITTSBURGH—Four branches of the Pittsburgh Life Underwriters Association have elected officers:

**Beaver Valley**—Ward Elliott, Monumental Life, Beaver Falls, president; R. J. Wick, Metropolitan, Aliquippa, and C. F. Brower, Knights Life, Rochester, vice-presidents; S. J. McLaughlin, Metropolitan, Beaver Falls, secretary. Kenneth

W. Conrey, general agent of Penn Mutual in Pittsburgh, spoke.

**Butler**—D. W. Kelly, Prudential, president; C. M. Miller, Equitable Society, vice-president; Frank Sarver, Northwestern Mutual, secretary-treasurer. T. G. Stinner, superintendent of Knights Life in Pittsburgh, spoke.

**Washington**—J. H. Cheeseman, Prudential, Canonsburg, president; H. C. Sharp, Metropolitan, Washington, vice-president, and Robert L. Smiley, Baltimore Life, Washington, secretary-treasurer.

**New Castle**—D. H. Long, Mutual Benefit Life, President; John Dinello, Western & Southern, vice-president; A. D. Shifflet, Prudential, secretary. Elmer R. Dill, assistant general agent of Northwestern Mutual Life in Pittsburgh, spoke.

Bishop Harry A. Pardue of the Episcopal diocese of Pittsburgh will speak at the annual meeting of the Pittsburgh association June 15.

### Slate of Officers for Cal. Association Announced

The nominating committee of the California Association of Life Underwriters has recommended this slate: President, Herrick C. Brown, Prudential, Oakland; vice-president, Rolla R. Hays, New England Mutual Life, Los Angeles; secretary, James M. Hamill, Equitable Society, San Francisco; treasurer, Lou K. Newfield, Lincoln National Life, Oakland; executive committeeman, northern California, Robert M. Buck, West Coast Life, Fresno; southern California, Lloyd A. Steadman, New York Life, San Gabriel.

John R. Mage, Northwestern Mutual Life, Los Angeles, retiring president, automatically becomes a member of the executive committee.

### Kelly Elected in Salt Lake

SALT LAKE CITY—F. M. Kelly, Mutual Life, was elected president of

### Moynahan Named Chicago President



J. D. MOYNAHAN



H. K. NICKELL

John D. Moynahan, Berwyn, Ill., manager Metropolitan Life and past president of American Society of C.L.U. and Chicago C.L.U. chapter, was elected president of the Chicago Association of Life Underwriters in a mail vote and installed at the annual meeting Monday. H. K. Nickell, Connecticut General, past chairman Million Dollar Round Table, was named first vice-president.

Other officers elected are: Second vice-president, George Huth, Provident

Mutual, the association's war bond chairman and vice-chairman of the Treasury's state organization on war bond sales; treasurer, R. W. Frank, State Mutual.

Louis Behr, Equitable Society, retiring president, in his annual report especially praised the fine work of Miss Joy M. Luidens, executive secretary, who has just rounded out 15 years in the association's service.

the Salt Lake Association of Life Underwriters succeeding J. H. Tomlinson. LaMar Anderson, Beneficial Life, was named first vice-president. Frank J. Mozley, California-Western States Life, second vice-president, and Mahoni Thomson, Beneficial Life, secretary-treasurer. Directors are: O. L. Richards, Metropolitan Life; C. E. Bechtol, Mutual Life; Kenneth Anderson, Metropolitan Life; E. H. Howells, Northern Life, and A. E. Buckwell, Travelers. Membership now totals 133, an increase of 57%.

Hugh S. Bell, Equitable of Iowa, Seattle, was endorsed for National association trustee.

**Oklahoma**—In compliance with the new by-laws, the directors elected Ralph H. Rice, Prudential, secretary, and T. Guy Spencer, Kansas City Life, treasurer.

**San Antonio, Tex.**—Evening calls to take advantage of the present favorable life insurance market were urged by T. H. Spindle, educational director Amicable Life. He emphasized the post-war possibilities of getting returning service men to use their National Service Life policies as a basis for a more adequate life insurance program.

**Detroit**—Senator S. H. Bridges of New Hampshire will talk on "Life Insurance—a Pillar of Free Enterprise" at the annual meeting June 23.

**Sioux City, Ia.**—C. W. Cottingham was elected president, George Jenkins, vice-president; Orville Erickson, secretary, and R. M. Tritz, treasurer.

**Topeka**—Herbert A. Hedges, National association president, spoke at a banquet Thursday.

**Ogden, Utah**—John W. Lawrence, manager of Prudential in Salt Lake City, spoke at the June meeting on "The Price of Failure."

**Durham, N. C.**—Thurman Johnson has been elected president, succeeding A. E. Burchan; J. L. Trevathan, vice-president, and W. G. Whichard, secretary-treasurer.

**Cheyenne, Wyo.**—David S. Bethune, Equitable Society, was elected president at the annual meeting; C. N. Bell, State

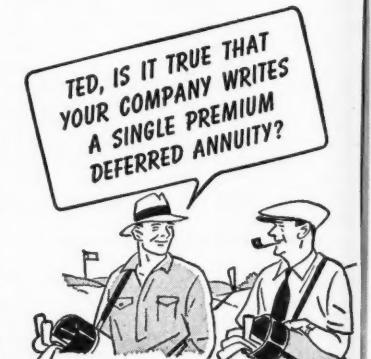
Farm companies, vice-president, and Willets S. Brewster, Massachusetts Mutual secretary-treasurer.

The Wyoming association will hold its annual meeting and election at Casper June 23.

**Rochester, N. Y.**—Paul E. Van Horn Travelers, was elected president, succeeding Earl W. Yago, Mutual Life. Vice-president is Eugene A. Ging, Metropolitan Life, and secretary-treasurer, James D. Flynn, Phoenix Mutual Life.

**Wheeling, W. Va.**—Henry S. Stout, John Hancock Mutual, Dayton, O., spoke on "Sex or Showmanship in Selling."

**St. Paul**—A. F. Breher, Northwestern Mutual, was elected president; Norbert F. Winter, Minnesota Mutual, vice-president, and William H. Nelson, Massachusetts Mutual, reelected secretary-treasurer.



"Absolutely! Our Deferred Annuity is written on a participating basis and both refund and no refund income plans are available. It provides a first year cash value and first year dividends. Retirement age is elective."

### PENNSYLVANIA — NEW JERSEY

GENERAL INSURANCE AGENCIES located in towns from 5 to 50 thousand population in PENNSYLVANIA and NEW JERSEY would do well to consider adding LIFE INSURANCE to the services they render their fire and casualty clients. LIBERAL AGENCY APPOINTMENTS DIRECT WITH A VERY COOPERATIVE HOME OFFICE.

DON'T DELAY — WRITE TODAY

### Philadelphia Life Insurance Company

111 NORTH BROAD STREET, PHILADELPHIA, PA.

Founded



in 1906

Please Mention  
The National Underwriter  
when Writing to  
Advertisers

### GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD, Pres.

St. Louis, Mo.

June 16, 1944

## LIFE INSURANCE EDITION

21

urer. Directors are L. V. Asbury, Aetna; M. P. Coonan, Northwestern Mutual; T. V. Birmingham, Phoenix Mutual; Z. W. Finberg, Great-West Life, and E. J. LeClair, North American Life & Casualty.

Herbert A. Hedges, N.A.L.U. president, reported on its activities and said the membership is at an all-time high.

The St. Paul association used paid advertising in local papers to tell the public of the importance of its work, listing the names of the 124 members.

**Jackson, Mich.**—New officers are: President, J. W. Hackett, Lincoln National; vice-president, C. B. Cain, Metropolitan; secretary, Jerry Galvin, John Hancock; treasurer, Howard Andrews, New York Life; trustees, A. G. Patton and J. S. Smith, Prudential, and George Dobben, Columbus Mutual. Charles J. Sparks was reelected national committeeman for a fourth term.

**Monmouth County, N. J.**—At a luncheon meeting in Asbury Park, Lt. Irene Case Namur talked on "Chemistry of the Body and Brain Food."

**Minnesota**—The annual meeting will be held June 16 in St. Paul. There will be a luncheon followed by the annual business meeting, but no other program has been arranged.

**Flint, Mich.**—Henry C. Dewey has been chosen president, succeeding Alice L. Meadow. Vice-presidents are Karl Swayze and Tracy Hurd; secretary-treasurer, Arthur E. Cobb; national committeeman, Charles E. Milner.

**Peoria, Ill.**—Howard F. Hartrum, Metropolitan, has been elected president; E. R. Small, Lincoln National, and Howard E. Rinehart, Prudential, vice-presidents; Norman E. Anderson, Mutual Benefit, secretary-treasurer; James M. Clark, John Hancock, national committeeman.

E. A. Crane, Indianapolis, general agent of Northwestern Mutual and N.A.L.U. trustee, spoke on "The Time Is Now."

**Lima, O.**—Paul M. Smith, New England Mutual, Columbus, president of the Ohio Association, spoke Thursday.

## RECORDS

**American Mutual Life**—A 20.8% gain in new paid business in May over the same month a year ago is reported. This was the fifth consecutive month of gain this year. Total paid business for the year to date is 15.5% ahead of the same period last year. Gain in insurance in force to the end of May was greater than for all of 1943.

Oklahoma was the leader for the month and William Hemman, general agent in Los Angeles for the year so far.

**Security Mutual Life, Binghamton**—Paid for in May was 32.4% increase over May, 1943, and the gain for the first five months over the 1943 figure is 43%.

**Franklin Life**—May new business showed an increase of 84% over the same month in 1943. New business for the first five months was 34% greater.

The asset increase for the first five months totaled \$2,599,672.

**Equitable Life of Iowa**—New business paid for in May was \$5,887,487, a gain of \$1,378,071, or 30.6% over May, 1943. It was the largest volume of new business to be paid for in May since 1931.

Life insurance in force was increased during the month by \$2,697,705, bringing the total to \$670,884,243.

**Bankers National Life**—Paid business in May was three times that of May, 1943. Part of the increase was the result of the new juvenile policy.

**Union Central**—May production gained \$636,036 over May, 1943, with total paid for on life plans of \$5,574,449. This was the 12th consecutive month of gains in paid business and represented 12% increase over May, 1943. Thirty-two agen-

ties gained in the month and 17 exceeded \$100,000 paid for each, with the Knight agency, New York City, paying for \$1,428,272 life business and writing over \$3,500,000; Cincinnati \$283,848 paid for, and Chicago-Zischke \$219,148.

**State Mutual Life**—Closed its books for May with a new all-time high record of insurance in force, a particularly gratifying achievement in view of this being its centennial year. Insurance in force May 31 was \$665,403,501, a gain of \$11,915,029 since Jan. 1.

**National Guardian Life**—In the first five months of 1944, had gains in insurance three times the volume in first five months of 1943—or \$2,250,000 gain compared with \$750,000.

## FRATERNALS

## Ben Hur Convention to Be at Home Office Oct. 17

Ben Hur Life will hold its national convention in the home office city, Crawfordsville, Ind., starting Oct. 17. The annual meeting of the Indiana congress was held at Indianapolis May 26-27. The Michigan congress held its annual meeting June 10 in Detroit.

## Wisconsin Congress Meets

Walter C. Below, president Fidelity Life, Fulton, Ill., was principal speaker at the midyear meeting of the Wisconsin Fraternal Congress in Milwaukee Tuesday. He is past president Illinois Congress and member of the National Fraternal Congress executive committee. Current problems of fraternal life insurance were discussed by J. P. Michalski, Polish Association; Mrs. Selma Behlendorf, Woman's Benefit; Harold Allen, publicity director Fidelity Life; R. G. Pope, Equitable Reserve; Mrs. Vivian Watkins, junior director Modern Woodmen, Rock Island, Ill.; W. G. Fisher, Lutheran Brotherhood; O. G. Dinsmoore, National Mutual Benefit; Elmer Anderson, Scandinavian-American Fraternity, and D. C. McDowell, Fidelity Life, chairman.

## W.O.W., Denver, Elects Officers

SACRAMENTO—Woodmen of the World of Denver reelected T. W. Midkiff, Denver, as national president; J. McNeal, Boise, head escort; W. J. Johnson, Pendleton, head watchman, and Jesse McInnis, Spokane, head sentry; as directors, L. G. Beck, Everett, Wash.; C. C. Hall, Portland, Ore.

## Royal Arcanum Holds Convention

The state grand council of Royal Arcanum will hold its annual convention at Newark June 19. J. T. Brienza, Newark, will preside.

## Birk Leads A.A.L. Field Force

W. C. Birk of Wausau, Wis., led Aid Association for Lutherans representatives in May with \$85,000 of business, and for the first five months was third with \$233,340. He is connected with the A. H. Poepel agency. The entire field staff in May produced \$2,447,811 of business, increase over 15%. Total 1944 production was \$11,856,208, compared to \$9,455,114, gain 24.3%. F. C. Bammler of the E. E. Bertram agency, Wisconsin, was first for five months with \$300,250. The E. H. Neumann agency was first for May with \$171,820, a 10% gain, and \$983,717 for five months, gain about 44%.

## Robertson Named Superintendent

Tom Robertson, Toronto, for several years assistant to the late Frank E. Hand, Sr., superintendent of field work and former head of the Independent Order of Foresters, has been appointed superintendent succeeding Mr. Hand. Mr. Robertson was born and educated in England, served four years in the former world war and has lived in Canada for 26 years, specializing in public relations and field development work. He was connected with Royal Templars, go-

ing with I. O. F. when the latter society was absorbed by Foresters in 1930.

## Blanche Eakin N. C. President

Blanche Eakin was elected president of the North Carolina Congress at the annual meeting at Charlotte. She is state manager of Woodmen Circle. Other new officers are: First vice-president, N. T. Newberry, manager W. O. W.; second vice-president, H. E. Ricks, manager Maccabees; secretary-treasurer, J. A. Doubles, manager Modern Woodmen. The executive committee includes C. A. Hines, director W. O. W.; B. T. Hill, Effie Rogers, Marian N. Early, E. M. Sink, J. B. Hendley, W. C. Horton and Guy Elliott. Dr. Hunter Blakely, president Queens College, spoke at a banquet.

The Fraternal Field Managers Association has awarded insurance counsellor degrees to E. V. Zuhlsdorf, P. E. Wag-

ner, and A. H. Luhrs of Aid Association for Lutherans, and George Moore, A.O.U.W. of N. D.

**Slovak Evangelical Union** of Pittsburgh has been admitted to membership in the National Fraternal Congress.

## Judd Returns to Chicago

Robert A. Judd, who was formerly manager of Phoenix Mutual Life at Chicago, and who for more than a year has been located at Everett, Wash., in personal production for Phoenix, has now returned to Chicago and is identified with the Oliver P. Kernodle agency of Phoenix.

Mr. Judd is an excellent personal producer and already this year has written more than \$250,000 of business. The Kernodle agency is making forward strides and expects this year to be the best in its history. So far it is 114% ahead of last year. The average policy is \$6,000.

## THE PRAETORIANS

Adult and Juvenile Policies on the Easy Monthly Payment Plan, giving one the opportunity to budget his Life Insurance protection along with his other monthly bills.

## LEGAL RESERVE FRATERNAL INSTITUTION

Organized in 1898  
Forty-Five Years of Insurance and Fraternal Service  
Home Office—Praetorian Building—Dallas, Texas

## AS STRONG



as the Greek columns that support the Home Office building. Life insurance to satisfy the requirements of men, women and children.

Attractive contracts for field men.

Territory in Illinois, Michigan, Minnesota and Wisconsin.

Equitable Reserve Association  
Neenah, Wisconsin

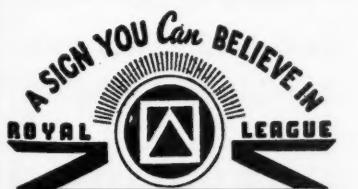
## We'll Do Our Part to Help Speed the Victory

The Woodmen Society will do its part in the Fifth War Loan as it has in all previous war loan drives, adding substantially to its investment in government bonds, already totaling more than Seventeen Million Dollars.

Woodmen Camps and members in 44 states will add to the millions of dollars of War Bonds they own. They, and their Society will continue to back up the thousands of Woodmen and their comrades in our fighting forces to help speed the day of Victory.

WOODMEN of the WORLD  
Life Insurance Society  
OMAHA, NEBR.

Assets Over \$141,000,000



member of the National Fraternal Congress  
309 W. Jackson Blvd., Chicago



1944  
office last  
the  
ader  
ited  
pass  
  
ju-  
ment  
" on  
  
pro-  
bill,  
with  
ests.  
lat-  
on  
ment  
was  
per-  
re-  
  
l, is  
ack-  
U.A.  
of  
au-  
(3)  
tes,  
om-  
aws  
with  
trust  
  
hat  
in-  
by  
in-  
ess.  
s a  
and  
ked  
The  
In-  
tered  
told  
eve  
port  
  
gu-  
of  
aws  
  
the  
in,  
gu-  
  
eve  
sur-  
in  
bin-  
or  
  
has  
ov-  
pi-  
to  
ral.  
re-  
se-  
ion  
  
ncil  
on  
cu-  
ake  
led,  
  
E  
Y  
S

however. Usually the committee meets quarterly. It is reported to have met recently in connection with the Governors' Conference at Hershey, Pa.

Some insurance observers think the states rights bill would possibly be reached in the House next Monday.

#### "Let Commissioners Act"

Speaking in the House, Rep. Anderson suggested state insurance commissioners be given opportunity to submit recommendations on federal insurance legislation. Pointing out that their function is to protect the purchaser, he said it would be better for those believing in state regulation if proposals came from the commissioners, rather than from one group or all companies.

The pending bill does not touch state regulation at any point, said Anderson. If a measure representing the commissioners' views were presented, he thought, Attorney General Biddle would not be disposed to press prosecutions.

"If the commissioners would appoint a committee," said Anderson, "and invite committees from life, fire and casualty groups to participate, they could draft a bill which would have a chance of passage by Congress and signature by the President. The Walter bill cannot pass the Senate, in my opinion, and if it did, would be vetoed."

"It would be fatal to pass legislation like that. Legislation should be supported that has a chance of passage, and I believe the way I have indicated would get results for a measure coming from the state commissioners and supported by the several company groups and also, possibly, by the National Association of Insurance Agents.

Casualty interests are understood to have discussed very recently the situation as regards the Supreme Court decision and congressional legislation. They are reported not enamored of the Walter bill. It is understood, however, they will do nothing until after the commissioners' meeting, letting the latter blaze the trail."

Meanwhile, life interests have been

disturbed about rumors of a bill, which would get Securities & Exchange Commission backing, for regulation of insurance investments, which, it is hoped, however, has been scratched for the present.

#### See Congress as Invited to Preserve States Place

(CONTINUED FROM PAGE 1)

mium taxes paid by all types of insurance companies in 1943 were estimated at \$123 million.

Study of the Supreme Court decision and the Justice Department attitude has thus far failed to reveal any current practices of life companies that could be regarded as violating the Sherman Act. Like other branches of the insurance business, life companies are prone to get together in associations for various purposes but none of these has as its purpose or result the restraining of "interstate commerce" in life insurance or the monopolizing of it, either of which would be necessary to establish a Sherman Act violation.

It is true that the companies act in concert on such matters as the agency practices agreement and the anti-twisting agreement but lawyers who are familiar with these and with the application of the anti-trust laws do not feel that these agreements constitute either restraint or monopolies. No effort is made to put companies at a disadvantage for not subscribing to the agreements.

#### Conferences in New York

John T. Cahill, special counsel to the Southeastern Underwriters Association, and the insurance executives concerned in the litigation decided by the Supreme Court conferred with many of these executives Friday and advised them of the studies he is making of the decision and its effect.

The National Board of Fire Underwriters held a meeting the same day to hear the report of its special advisory committee on the anti-trust litigation and informed the members that the committee is engaged in studying with concern the effect of the Supreme Court's decision.

#### ON WASHINGTON FRONT

WASHINGTON—Leaders in the fight for states rights insurance legislation, after conferring here, are reported to have decided to try to get consideration for it in the House during this week.

In on these conferences during the past week have been Reps. Hancock and Walter, sponsors for the bill; Chairman Sumners, House judiciary committee; Rep. Ploeser, St. Louis, who is in the insurance business, and others.

#### Bill Is Given Green Light

With the backing of the judiciary committee and a green light from the House rules committee, friends of the bill say the only thing in the way of their plan is, possibly, the House leadership.

However, the latter is trying to put through so-called "must" legislation, including appropriation bills, before the end of June; indeed, before the Republican national convention, prior to that event.

Meanwhile, it is understood that a committee representing life insurance presidents was scheduled to meet, probably in New York, early in the week, to consider plans and program with relation to the Supreme Court decisions, the situation as regards the states rights bill, and with special reference to the insurance commissioners' convention in Chicago.

#### Bricker Sees Decision as Springing from New Deal Maneuver to Grab Control

Governor John W. Bricker of Ohio, candidate for the Republican Presidential nomination, in a broadcast over a nation-wide hookup last Friday underscored an attack upon the New Deal

assault upon state government by reference to the Supreme Court insurance decisions.

"This continued encroachment upon state sovereignty was again brought to our attention last Monday," he said. "The United States Supreme Court, by a vote of four to three—two justices not participating—held that the business of insurance is subject to federal anti-trust statutes. In that decision, a minority of the court's membership overturned a doctrine which that tribunal had consistently applied for over 75 years.

"Relying upon early decisions, the several states had long ago enacted and have enforced complete programs of insurance supervision. This policy has had the support of both Congress and the executive branch of the national government as well as the sanction of the Supreme Court.

"It has been evident for some time that the New Deal bureaucrats were casting covetous glances at the huge pool of assets, accumulated by the insurance companies of this country through the premium dollars received from their policyholders and held for them and their families. Control centralized in Washington over the combined resources of the American insurance companies would mean tremendous power. That this first step toward such centralization was taken by the executive branch and not by the elected representatives of the people was made clear in the dissenting opinions of Mr. Justice Frankfurter and Mr. Justice Jackson.

#### Quotes the Chief Justice

"Moreover, Chief Justice Stone, in his dissenting opinion, pictured the confusion resulting from the increased range of federal power. He stated that the majority decision cannot fail to be the occasion for loosing a flood of litigation and of legislation, state and national, in order to establish a new boundary between state and national power, raising questions which cannot

be answered for years to come, during which a great business and the regulatory officers of every state must be harassed by all the doubts and difficulties inseparable from a realignment of the distribution of power in our federal system.

"The millions of policyholders of this country will be aghast to learn that a proceeding instituted by the Attorney General has brought such a state of confusion to the important business of insurance. The conduct of the present federal administration in this matter becomes even more shocking when we recall that four years ago not only the Republican platform but also the Democratic platform, upon which the administration was elected, contained a plank in unequivocal language favoring the continuance of state supervision over the business of insurance.

"If the Congress believes that the policy which prevailed for 75 years, and not the recent decision of but four justices, really represents the intention of the people's representatives, it should enact corrective legislation now."

#### Neel Urges All Hands to Agree on Legislation

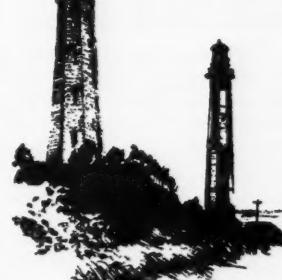
Commissioner Neel of Pennsylvania at the annual conference of the Pennsylvania State Association of Mutual Insurance Companies, at Harrisburg, declared that the Supreme Court decisions "may well be feared as the D-Day of further invasion and usurpation of the federal government.

"This decision," he said, "accentuates the necessity for the broadest possible cooperation among all branches of the business to the end that widely supported recommendations be laid before Congress for the preservation of the system under which the public has been so well served for so long a time.

"Cooperation between the stock and mutual interests and between the fire,

Directing the Way Toward Financial Security Since the Turn of the Century

## ATLANTIC LIFE INSURANCE COMPANY



Organized  
1899



Richmond,  
Virginia

Atlantic's salary and incentive commission plan of Agent's compensation affords a safe port for those embarking upon a career in life insurance.

Inquiries are invited from those interested. Agency and Managerial opportunities available in Virginia, North Carolina, South Carolina, Maryland, District of Columbia, West Virginia, Tennessee and Texas.

## The COLUMBIAN NATIONAL LIFE INSURANCE Company

BOSTON, MASSACHUSETTS

A GOOD GENERAL AGENCY COMPANY, OFFERING  
LIFE, ACCIDENT & HEALTH, JUVENILE, GROUP  
AND WHOLESALE COVERAGE TO IT'S FIELDMEN

-- A NEW ENGLAND INSTITUTION --

## FOLLOW THESE STARS TO A BRIGHTER AND BETTER INCOME

LIFE — HEALTH — ACCIDENT  
and HOSPITAL INSURANCE

#### ★ Office Allowance

#### ★ Renewals As Long As Business Is In Force

#### ★ Commissions—Plus Cash Allow- ances

#### ★ Agency Advertising and De- velopment Fund

#### ★ Home Office Co-operation in Training Field Men

We have some

## REAL OPPORTUNITIES

for men who are looking for a chance to develop their own agencies. Territories open in MISSOURI, KANSAS, IOWA and NEBRASKA.

For More Information  
WRITE

O. R. Jackson, Vice-President

## POSTAL LIFE & CASUALTY INSURANCE COMPANY

"An Old Line Legal Reserve Life  
Insurance Co."

4727 Wyandotte Street  
Kansas City 2, Missouri

# ACTUARIES

## CALIFORNIA

Barrett N. Coates      Carl E. Herfurth  
**COATES & HERFURTH**  
 Consulting Actuaries  
 562 Market Street      457 S. Hill Street  
 SAN FRANCISCO      LOS ANGELES

## ILLINOIS

DONALD F. CAMPBELL  
 and  
**DONALD F. CAMPBELL, JR.**  
 Consulting Actuaries and Public Accountants  
 35 Years of Service  
 100 North La Salle Street, Chicago, Illinois  
 Tel. State 1536

**WALTER C. GREEN**  
 Consulting Actuary  
 211 Wacker Drive  
 Chicago  
 Franklin 2633

**HARRY S. TRESSEL**  
 Certified Public Accountant and  
 Actuary  
 10 S. La Salle St., Chicago 3, Ill.  
 Associates      Franklin 4680  
 M. Wolfman, F. A. I. A.  
 N. A. Moscovitch, A. A. L. A.  
 W. H. Gillette, C. P. A.  
 L. J. Lally

## INDIANA

**Haight, Davis & Haight, Inc.**  
 Consulting Actuaries  
 FRANK J. HAIGHT, President  
 Indianapolis—Omaha

**HARRY C. MARVIN**  
 Consulting Actuary  
 221 E. Ohio Street  
 INDIANAPOLIS, INDIANA

## MISSOURI

**CARROLL E. NELSON**  
 Consulting Actuary  
 915 Olive Street, Saint Louis  
 Central 3124

## NEW YORK

Established in 1865 by David Parks Fackler  
**FACKLER & COMPANY**  
 Consulting Actuaries  
 8 West 49th Street      New York  
 New York

Consulting Actuaries  
 Auditors and Accountants  
**Wolfe, Corcoran and Linder**  
 116 John Street, New York, N. Y.

## PENNSYLVANIA

**FRANK M. SPEAKMAN**  
 CONSULTING ACTUARY  
 Associate  
 E. P. Higgins  
 THE BOURSE      PHILADELPHIA

casualty and life interests has not been as complete and effective as it could be. Therefore, it is particularly appropriate to begin immediately to lay the foundation for cooperation among all elements of the business.

"For example, the life interests have certain legislation in mind which they believe to be broader and to go much farther than the legislation originally advocated by the fire and casualty interests.

"Then too the mutual casualty companies did not quite see eye to eye with the stock casualty companies with respect to the nature of the legislation to be introduced.

### Time to Get Together

"Now is the time for all these interests to get together, laying aside individual differences and attitudes and devising suggested legislation which can wholeheartedly be supported by all insurance interests and which may not necessarily be the legislation now pending.

"This constructive legislation should guarantee that now and in the future insurance, even though interstate commerce, will be supervised by the states in the interest of their policyholders.

"It may well be that the National Association of Insurance Commissioners could lend its influence to the development of a singleness of purpose upon the part of every phase and branch of the business of insurance.

"Congress should listen with respect to the demand of public opinion which such a united front should generate."

### VIRGINIANS GO INTO ACTION

RICHMOND — J. Vaughan Gary, president of the Virginia State Chamber of Commerce, sent telegrams to Senators Byrd and Glass and the nine Virginia Congressmen urging them to support pending legislations designed to nullify the ruling of the Supreme Court that insurance companies are operating in interstate commerce and are, therefore, subject to provisions of the anti-trust laws.

Commissioner Bowles said that while he is apprehensive of the effect the ruling may have in Virginia he is hopeful it will speed action on the pending legislation.

Representative Satterfield who is a member of the House judiciary committee, called on Attorney-General Biddle to hold in abeyance the S. E. U. A. prosecution for alleged violation of anti-trust laws until Congress has acted on pending legislation affirmatively, leaving control of insurance with the states.

### MINN. COMMISSIONER'S VIEWS

MINNEAPOLIS — The wise move to make in view of the recent Supreme Court decision is for all groups in the business—fire, life, casualty, accident and health and bonding—to get together and draft legislation acceptable to all of them and then try to get it enacted by Congress instead of the present bill, Commissioner Johnson declared in a talk before the West Central Agents Regional Association.

### OMAHA C. OF C. GROUP ACTS

OMAHA — Telegrams urging Nebraska congressmen to continue their support of the Bailey-Walter bill were sent by the insurance committee of the Omaha Chamber of Commerce.

Action on the bill was taken at the insurance committee's final meeting of the season. Will Noble, New England Mutual Life, was elected chairman to succeed John D. Frazee, American Surety, and John W. Mountain, Grain Dealers National Mutual, was named vice-chairman.

## Business Can Make Needed Changes

(CONTINUED FROM PAGE 2)

primarily on his belief that it was not the intent of Congress to apply the anti-trust laws to insurance and at least strongly implied that he would uphold specific federal legislation on this point. Justice Jackson was even more outspoken, saying that in his opinion insurance is commerce in fact, but that now is no time to upset a precedent of 75 years. He also strongly indicated that he would uphold federal laws directly reaching insurance. All three dissenting justices confirmed this position by upholding the applicability of the national labor relations act to the Polish National Alliance and Justice Frankfurter wrote the majority opinion in that case.

The immediate effect of the S.E.U.A. decision is to send the case back to Atlanta for trial and Mr. O'Connor said that it is possible that this case might once more be in the Supreme Court eventually, on the question of just what insurance practices are prohibited by anti-trust laws. The Department of Justice would undoubtedly be willing to work out a consent decree with the companies, outlining what may and what may not be done, and thus it will probably be up to the companies and their attorneys to decide whether to settle the matter on that basis or to try for a Supreme Court holding on some of the points which will undoubtedly be under discussion. He said there is nothing in the federal anti-trust laws which has not been covered for many years by state anti-compact and anti-trust legislation and hence that the companies should have the proper legal background and experience available to meet the situation.

### Believes State Laws Will Stick

The long range effects of the decision are difficult to forecast, Mr. O'Connor said, because of the failure of the justices to agree. Probably the exact effect on state legislation will not be known until some person or organization refuses to obey a state law and brings the matter into the Supreme Court. If the majority justices stick to their present position, the chances are that most state legislation will be upheld. Some legislation, particularly countersignature and commission laws affecting handling of business by and for non-residents, may be subject to review on the charge that it imposes an undue burden on interstate commerce.

There seems little likelihood that the life insurance business will be affected at all, since the companies have no rating associations and only minor points of agency practice agreements might possibly be scrutinized. Many features of the fire and casualty business, such as rating laws, practices of company and agency associations, etc., may be questioned, but Mr. O'Connor said he believes the business can and will make any necessary adjustments with a minimum of confusion and that probably not as many changes will be required as many people fear. Although there has been some disagreement among the justices on specific points, there is ample legal precedent in other businesses for upholding state legislation on matters also covered by federal laws. Mr. O'Connor said it is likely that Congress, if requested, will pass legislation specifically upholding state rating laws, but that the Black opinion strongly indicates that these laws will be upheld even without federal legislation.

### Biddle Issues Statement on S.E.U.A. Decision

(CONTINUED FROM PAGE 2)

federal statutes such as the antitrust laws. The decision Monday, involving a question never before decided, brought a needed clarification as to the applica-

tion of the Sherman act to this great and important business.

"Surely this most important business can be conducted in accordance with effective state regulatory laws without resort to private monopolistic and coercive practices which violate the federal antitrust laws. The insurance companies now have the opportunity to change those rate-fixing and other practices which, under this decision, may be in conflict with the Sherman act. The Department of Justice realizes that the insurance companies will need to adjust their practices so as to accommodate themselves to the Supreme Court's decision and will be guided by this consideration."

### DISRUPTION FEARED

**NEW YORK**—Even though the Justice Department should proceed along the conciliatory lines outlined in its official utterances since the S.E.U.A. decision there still remains the danger of disruptive moves by companies that see an opportunity to build up their business by pursuing unorthodox courses and contending that any state regulation or law that they do not like "unduly burdens" interstate commerce. This sort of thing could result in a vast amount of long drawn out litigation unless legislation is promptly enacted to keep it to a minimum and even at best it is feared that there will be many court cases before the line of demarcation between state and federal authority is definitely fixed.

### To Act on Hobbs Bill in House

**WASHINGTON**—Rep. Weiss, Pennsylvania, says he will try to have a meeting of his House post office subcommittee Friday to hear Rep. Hobbs, Alabama, and to act on the latter's bill to deny use of the mails to insurance companies allegedly unlicensed by states or violating state laws. Only one subcommittee member is reported favoring the bill.

**P'raps it's OK—  
this emphasis on Plans.  
Performance rings a  
clearer bell.**

**Guardsmen set a new  
all-time record in May.  
192% of May '43.**

**Places for a few more.**

**National  
Guardian Life  
Insurance Company**

Home Office, Madison 1, Wisconsin



1944  
great  
ness  
t eff  
t re  
per-  
federal  
mpa-  
to  
y be  
The  
t adju  
date  
s de-  
con-

Jus-  
long  
offi-  
dec-  
er of  
t see  
ness  
and  
n or  
sort  
ount  
egis-  
it to  
eared  
s be-  
ween  
ately

e  
Penn-  
meet-  
mit-  
Ala-  
ll to  
com-  
es or  
com-  
ing the

ns.  
  
ay.  
  
re.  
  
2  
  
ne.

10.4%

During 1943 insurance in force increased

10.4%

Over the total in force on January 1, 1943

## A Good Company to Represent!

### THE MANHATTAN LIFE Insurance Company

FOUNDED 1850

120 WEST 57th STREET  
NEW YORK 19, N. Y.

## TWO IMPORTANT TESTS

"The test of the pudding is in the eating."

Two important tests of a life insurance company are these:—

1. Are the policyholders enthusiastic about the company?
2. Are the Company's representatives career underwriters who are successful?

In answer to question 1:—

97.45% of all policies in force in the Company in 1943 were renewed. Policyholders buy a large amount of new insurance on themselves and their families and recommend their friends.

In answer to question 2:—

According to the TNEC report to the SEC, Indianapolis Life full-time men earned the largest average income of any company studied. In 1942 this average increased and in 1943 it showed another very substantial gain. Indianapolis Life men are carefully trained career underwriters.

### INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis, Indiana

A quality, Legal Reserve Mutual Company Organized in 1905  
Splendid agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa and Texas.

A. H. Kahler  
Second Vice-President  
Supt. of Agencies

Edward B. Raub  
President



Ours is a  
DISTINCTIVE company!"

That's what you'll hear wherever Pacific Mutual field representatives get together. It's an apt description, for Pacific Mutual has many features of distinction. Foremost, perhaps, from the fieldman's point of view is the completeness of *Pacific Mutual* protections. Pacific Mutual underwriters have at their disposal unsurpassed basic coverages — Life, Accident and Sickness (including the famous combination plan that "pays 5 ways"); a full range of those Complementary Coverages essential to comprehensive estate programming; a practical line of Retirement and Annuity Plans; and the most modern of Group Insurance facilities.

FIGHT INFANTILE PARALYSIS: January 14-31



## LIFE ASSURANCE FIGHTS INFLATION

Policyholders' savings important contribution  
to War Effort and Post-War Reconstruction

One of the many distinctive services performed by Life Assurance in these urgent times is the mobilization of the people's savings against the insidious but none the less devastating enemy—inflation. Thus millions of men and women, advised by a worthy and highly-trained group of their fellow-countrymen who "sell" Life Assurance, withhold their savings from the luxury market and set them aside to secure protection and well-being for themselves and their loved ones in the unknown days to come.

In the past year alone, the million policyholders of the Sun Life of Canada have set aside \$112 millions of their savings in the form of Life Assurance premiums.

### FROM THE 1943 ANNUAL REPORT

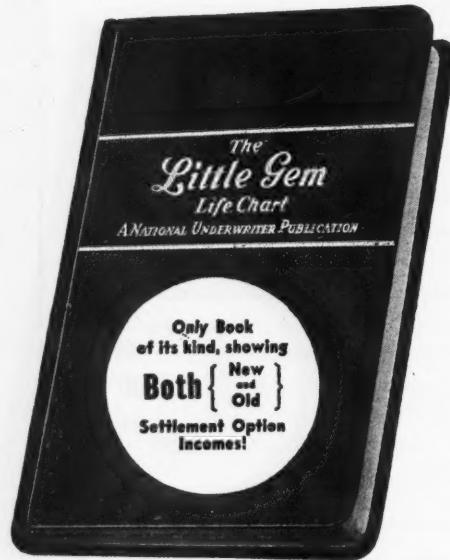
New Assurances.....	\$ 214,292,080
Assurances in force.....	3,173,417,467
Benefits Paid 1943.....	74,057,495
Benefits Paid since Organization.	1,629,863,441

During 1943 the Sun Life of Canada made payments to United States policyholders and beneficiaries amounting to more than Twenty-five Million dollars.

SUN LIFE OF CANADA

# Don't try to Guess—To BE SURE, Costs Less!

Have the ANSWERS Handy—It will pay you well!



New UP-TO-DATE Edition  
Ready for Immediate Delivery!  
Most Comprehensive Book of Its Kind!

## Get Your Own **New 1944 "LITTLE GEM"**

Prompt, accurate answers are highly important in all selling. Most unexpectedly YOU will need the answer to some question concerning Rates, Contracts, Values, Options, Costs or about Financial Statements. A sizeable commission may hinge on your ability to give the PROPER and CORRECT ANSWER, quickly.

You can't predict when this will happen to you—but it occurs every day to thousands. That's why you must be ready with the answers at all times. With the new 1944 LITTLE GEM you are always well prepared. Order Yours NOW!

## It provides The ANSWERS that "Get the Business"

### It gives MORE—on ALL Currently Important Subjects

With the NEW 1944 Little Gem you have broad information on some 170 companies—about 80 MORE than its principal competitor shows—AND the ONLY BOOK of its kind giving the Incomes Payable by practically ALL Life Insurance In Force Today!

### MANY IMPORTANT CHANGES

Widespread changes in all of the many subjects covered by the Little Gem have occurred since the last edition was issued. In addition to numerous changes in rates, OPTIONS, dividends, etc., there are many new contracts designed to serve today's prospects. You need this new information.

### Be UP-TO-DATE!

### Take Advantage of the "Little Gem's"

BROADER COVERAGE and its  
Many Special EXTRA VALUES

You Must Have UP-TO-DATE  
Information!

### It will help You to—

- present your proposition in the best light!
- stress the strong points of your contracts!
- arouse interest in your prospect's present insurance and to sell the income idea!
- “avoid” competition and to build prestige!
- back up your statements with authority!

### It tells you "HOW"

Many of the important “business-building” uses of The LITTLE GEM, including the above-mentioned, in programming, selling those who “have enough”, supplementing Social Security, etc., are carefully explained in the book itself.

*Use the “SURE Strategy”—Know your business so well that you can give the proper answer instantly.*

### Be WELL-PREPARED!

Mail this Coupon NOW!

Send me —

.....cop.....NEW 1944 LITTLE GEM Life Chart

\* PRICES \*

Single copy \$2.50  
3 to 5 cop. 2.25 ea.  
6 to 99 cop. 2.00 ea.  
100 copies. 1.85 ea.  
250 or more 1.75 ea.  
\*All prices based on quantity ordered for delivery at one time. See "Note," above.

Note: Single Copies (but ONLY singles) will be sent "on approval". Larger orders are NOT RETURNABLE for credit, but are subject to amendment previous to March 15, 1944.

Name ..... Title .....  
Company .....  
Address .....  
City ..... (Zone) ..... State .....

To The National Underwriter Co., 420 E. Fourth St.  
Cincinnati 2, Ohio